

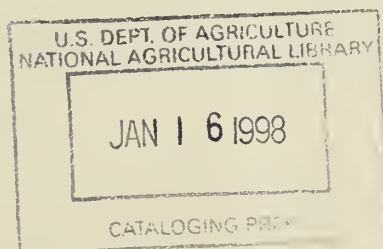
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UNITED STATES DEPARTMENT OF AGRICULTURE

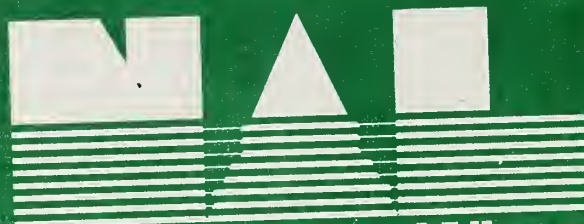
ACTIVITIES OF THE U. S. DEPARTMENT OF AGRICULTURE



Washington, 25, D. C.

September 1956

**United States
Department of
Agriculture**



National Agricultural Library

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ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE

The Department of Agriculture was established by President Lincoln in 1862 to meet the needs of American farmers for technical, economic, and educational assistance. In carrying out this responsibility the Department works closely with State agencies and educational institutions having responsibility in the field of agriculture.

Since the reorganization of the Department of Agriculture, which took place in 1953, there are four major areas of operation:

- Federal-State Relations
- Marketing and Foreign Agriculture
- Agricultural Stabilization
- Agricultural Credit

These areas are the responsibility of three assistant secretaries and the Director of Agricultural Credit Services. In addition, an administrative assistant secretary directs general administration, budgeting, and information functions. The entire Department is headed by the Secretary of Agriculture and the Under Secretary.

Within these substantive and administrative areas of operation, individual agencies, headed by directors and administrators, deal with the work of the Department and its relations with other Executive departments and the Congress. Some of these agencies are large, employing more than 16,000 people; some are small, employing less than 100. They are constantly in contact with the American farm community, administering the many services and programs that help agriculture produce food and fiber for the Nation.

Federal-State Relations

The Agricultural Conservation Program Service is responsible for a national program in which the Federal Government in the public interest shares with farmers and ranchers some of the costs of conserving the natural resources represented by farm and ranch land. This program is administered locally by committees of farmers with assistance from many agricultural interests and agencies. The ACPS is also responsible nationally for the conservation practices part of the Soil Bank.

The Agricultural Research Service conducts scientific research to discover better farming methods, improve the farm home, develop superior types of plants and animals, extend the uses of farm products, and gather new knowledge to make our agriculture more efficient. Much of this research is done in cooperation with State agricultural experiment stations.

ARS also carries out a variety of regulatory functions, including Federal meat inspection; port and border inspection and quarantine services to keep out destructive pests of animals and plants; and cooperative programs for control and eradication of insects and diseases of crops and livestock.

The Farmer Cooperative Service performs research, advisory and educational work to help the 10,000 farmer marketing and purchasing cooperatives increase their effectiveness in serving their more than 3,000,000 farmer members. Information prepared by the Service is made available through publications, workshops, clinics and other meetings where cooperative principles and problems are being considered. The Service works closely with land-grant colleges, State extension services, State departments of agriculture, and with organizations and other governmental agencies having programs of research and education related to farmer cooperatives.

The Federal Extension Service is in charge of the Federal Government's part in the cooperative Federal-State agricultural extension service. County extension agents, located in every agricultural county in the Nation and in some urban areas, are the local representatives of this service. They work with farm men and women and with boys and girls in demonstrating and encouraging the application of improved methods of farming and homemaking.

In the States, the program is administered by State extension directors, who consult with the county governments on appointing and supervising the county extension agents. Local people help the agents plan and conduct the work in the counties.

The Forest Service has specialists in forestry stationed throughout most of the Nation, and a staff of administrators, technicians, and researchers in Washington. The Forest Service helps protect the more than 180 million acres of land in national forests from insects, disease, and fire, and assures the wise use of this land. The Forest Service joins with forestry agencies in State governments to protect and develop woodlands owned by States, local communities, and private citizens.

The Soil Conservation Service has experts in all areas of the Nation who help farmers and ranchers in soil conservation districts in the work they are doing to conserve land and water. These experts aid in the program of the Agricultural Conservation Program Service, and work closely with the technicians of the Forest Service. The Service also has primary responsibility for the Department's cooperation with local watershed protection and flood prevention organizations, and for certain technical phases of the Soil Bank Program.

Marketing and Foreign Agriculture

The Agricultural Marketing Service carries on a broad-scale program of marketing research, crop and livestock estimates, economic and statistical analysis. It also provides a broad program of marketing services, including the National School Lunch Program, the Special School Milk Program, plentiful foods programs, distribution of surplus foods to State agencies, inspection and grading of farm products, regulatory programs, and the nationwide market news service. Much of this work is done in cooperation with State departments of agriculture or markets, with land-grant colleges, State departments of education, or other units of State governments. The AMS also coordinates statistical work throughout the Department.

Commodity Exchange Authority operations are important to the efficient buying and selling of some farm products like wheat, corn, cotton, and soybeans. CEA

supervises trading in futures at commodity exchanges in the major cities to assure fairness in this kind of trading.

The Foreign Agricultural Service conducts activities to promote sales of all American farm products in foreign countries. It provides information on foreign agricultural situations. It studies the problems of American exporters, advises them, and keeps aware of changing needs. FAS has agricultural attaches in all the important countries of the world.

Agricultural Stabilization

The Commodity Stabilization Service assists the Commodity Credit Corporation in carrying out the Soil Bank and price support programs, and directs the acreage allotment and marketing quota programs for reducing surplus production. Soil Bank payments are made to farmers who make greater than normal adjustments toward a better balanced farm output. CSS stores farm products acquired by CCC in its price support operations and disposes of them in various ways. Agricultural Stabilization and Conservation (ASC) State and County Committees carry out the CSS programs wherever they require direct dealings with farmers.

The Federal Crop Insurance Corporation insures farmers' investments in crops against loss from natural hazards such as drought, disease and insects, and the unavoidable production risks beyond the farmer's control. Like other insurance, farmers pay a premium for this all-risk protection and are indemnified by the Corporation for the difference between the protection provided by their policy and their actual production when a crop disaster strikes. In 1956, the Corporation operated 948 county programs in 805 counties within 39 states.

Agricultural Credit

The Farmers Home Administration lends money to farmers to buy, improve, and operate their farms, and, in emergencies like droughts, to help them continue farming. It is permitted to make loans only if private banks or other lenders cannot meet the needs of farm families. FHA also lends money to farmers to help them conserve and make good use of their soil and water, to refinance existing debts and to build and repair farm houses and other farm buildings. The credit is primarily for family-type farms but as a part of the Rural Development Program the agency makes loans for operating and developing farms where the farmer has part-time employment off the farm.

The Rural Electrification Administration makes loans to local companies and cooperatives and, in the case of loans for electrification, to public authorities. These loans are used to finance the construction of electric power or telephone systems to serve rural areas, and to finance wiring installations and electric and plumbing appliances and equipment.

AGRICULTURAL CONSERVATION PROGRAM SERVICE

The Agricultural Conservation Program, which is administered by this Service, shares costs with farmers and ranchers to encourage and assist them to carry out on their farms and ranches authorized new and additional soil-building and soil- and water-conserving practices.

The program is designed to (1) restore and improve soil fertility, (2) minimize erosion caused by wind and water, and (3) conserve water on the land.

Cost-sharing is offered only for conservation measures considered necessary to meet the most urgently needed conservation problems which would not otherwise be carried out to the extent needed in the public interest. To be eligible, except in restricted emergency cases, the farmer must make application for cost-sharing before beginning the practice. In lieu of cash reimbursement, assistance may be in the form of partial payment by the Government of the purchase price of materials and services needed by the farmer for carrying out approved practices. Materials and services are obtained through private sources where practicable.

The program is conducted in all agricultural counties of the 48 States, and in Alaska, Hawaii, Puerto Rico, and the Virgin Islands. It is carried out in the field through the Agricultural Stabilization and Conservation Committees. Allocations of funds for cost-sharing are made to the States on the basis of conservation needs.

The Agricultural Conservation Program Service also has these responsibilities:

1. With the assistance of other designated agencies, (a) the formulation and the administration in the Washington office of program provisions and the development of the operating policies, relating to the conservation practices, and (b) the review and appraisal of the conservation phases of the Conservation Reserve Program of the Soil Bank. It assists in the development of the operating procedures needed in the administration of that program.
2. Upon authorization by the Secretary, approval of practices and sharing of costs with farmers and ranchers for emergency conservation efforts, to restore producing farm lands damaged by natural disasters such as floods, hurricanes, drought, and wind, of such magnitude as to require authorized federal assistance.
3. In cooperation with other Federal, State, and local agencies, (a) the development and review of policies, data, and procedures for, (b) the carrying out of, and (c) the review of progress under the Department's national inventory of soil and water conservation needs.
4. In advisory cooperation with the Forest Service, the development of the Naval Stores Conservation Program and procedural matters concerning it.
5. Upon specific assignment by the Secretary, participation along with other designated agencies of the Department, in conducting the recently-authorized Great Plains Conservation Program of long-term contracts with farmers and ranchers for the conservation treatment of farm and range lands to bring about desirable land use adjustments. This program was established by Public Law 1021, 84th Congress, approved August 7, 1956.

These special activities are carried out in the field through or in cooperation with the Agricultural Stabilization and Conservation Committees.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service conducts fundamental and applied research relating to the production and utilization of agricultural products, and conducts those control and regulatory programs of the Department which involve enforcement of plant and animal quarantines, the control and eradication of diseases and insect pests of animals and plants, meat inspection, and related work. The purpose of these programs is to insure a continued abundance of agricultural commodities and products to meet the increasing needs of an expanding economy and to provide for a continued improvement in our standards of living.

Research

The Service carries out the Department's physical and biological science research in the field of crops, farm and land management, livestock, human nutrition and home economics, and utilization research to develop new and expanded uses for farm commodities. Research is also conducted, on recommendation and approval of the Office of Defense Mobilization, on the feasibility of developing domestic supplies of any agricultural material which that Office determines to be strategic and critical.

Research is conducted at the 12,000-acre Agricultural Research Center, Beltsville, Maryland, where many projects of the Agricultural Research Service and other agencies are under way, and at numerous locations in the States, Territories, and possessions, and in foreign countries. A large part of the research is in cooperation with State agricultural experiment stations and other public and private agencies. Research is also conducted under contract with various public and private agencies and institutions.

Crop Research - Investigations are conducted to develop improved varieties of food, feed, fiber and other plants; to improve crop production practices including methods to control plant diseases; to improve methods for the control of harmful and the utilization of beneficial insects affecting farm production; and to develop and test new chemical formulations for the control of crop pests.

Farm and Land Management Research - Investigations are conducted to improve fertilizers and soil management and irrigation practices; to develop and improve conservation practices and techniques; to determine the relation of soils to plant, animal, and human nutrition; and to apply engineering principles to agriculture. Economics of production research is conducted on profitable adjustments in farming by type and size of farm; efficiency in use of labor, equipment, land, and water; inventory and analysis of land resources; and problems of farm valuation, taxation, debt, tenure, risk, and insurance.

Livestock Research - Investigations are conducted on all farm livestock, poultry, and domestic fur animals to develop superior strains and types, establish nutritive requirements, determine means of maintaining maximum fertility, achieve efficient use of feed and forage in the production of meat, milk, eggs, wool, fur, and other products; develop practical methods of control of diseases and of parasites affecting livestock, including research on foot-and-mouth disease at Plum Island, New York, and develop improved and efficient livestock management methods and practices. An animal disease research laboratory will be established at Ames, Iowa, which will permit simultaneous research on approximately 25 contagious diseases, as well as ascertain activities related to livestock regulatory programs.

Administration of Payments to States, and Territorial Research - Research under Federal-grant funds at each State agricultural experiment station is administered and coordinated with the research conducted by other States and by agencies of the United States Department of Agriculture. Agricultural experiment stations are operated in Puerto Rico, Virgin Islands, and Alaska.

Home Economics Research - Investigations are conducted on human nutritional requirements, the composition and nutritive value of foods, and problems relating to the household preparation and preservation of foods. Studies are made of problems in the household utilization of textiles, clothing, and equipment, and of family requirements for housing and related facilities. Investigations are also made of food consumption practices and the nutritive value and economy of customary diets, patterns of rural family expenditures and production for household use, and economic problems of household management.

Utilization Research - Investigations are conducted in the field of chemistry and related physical and biological sciences to develop new and improved foods, feeds, drugs, fabrics, industrial chemicals, and other products from agricultural commodities; to devise improved methods for evaluating the suitability of commodities for processing; to devise better processing methods; to increase the use of by-products; and to solve waste disposal problems.

Plant and Animal Disease and Pest Control

The plant disease and pest control work is divided into three categories: (a) Insect and plant disease control which is designed to protect agriculture from destructive insects and plant diseases, including inspection to detect and appraise infestations, certification of regulated articles, supervision of treatments required by plant quarantines, applications of pesticides, and use of other methods of combating infestations; (b) protective measures, primarily inspections at ports of entry, which are carried out to prevent the introduction from abroad of pests and plant diseases, and certification of the absence of plant pests on plants and plant products for export; and (c) administration and enforcement of the Federal Insecticide, Fungicide, and Rodenticide Act to prevent the sale of mislabeled and inadequately labeled economic poisons, and to safeguard farmers and other users from injury to crops, livestock, or themselves, and from loss resulting from deceptive, careless or fraudulent marketing practices.

Operations to eradicate, suppress, or control outbreaks of injurious insect pests and plant diseases, including those of foreign origin which may have gained a foothold in the United States are carried on in cooperation with Federal, State, local agencies, individuals, and in some cases foreign governments. Programs are under way on the Japanese beetle, sweetpotato weevil, citrus blackfly and Mexican fruitfly, phony peach and peach mosaic, barberry, pink bollworm, golden nematode, white-fringed beetle, Hall scale, gypsy moth, grasshoppers and Mormon crickets.

In addition, to combat emergency outbreaks of insects and plant diseases the Service participated in the following control programs in 1956: grasshoppers in 13 Western States where 2 million acres of infested lands were treated in the 1956 crop year; Mexican fruitfly in northwestern Mexico and Southern California, khapra beetle in Mexico, Arizona, California and New Mexico; Mediterranean fruit fly in Florida; burrowing nematode in Florida, Louisiana, California, and Texas; the European chafer in New York, Connecticut and West Virginia, and the soybean cyst nematode in North Carolina.

The Service determines the existence and extent of infectious, contagious and communicable diseases of livestock and poultry and plans and organizes national programs, usually in cooperation with State, Federal and other officials and agencies for their control and eradication. This may involve inspection, particularly of public stockyards, quarantine, testing, diagnosis, vaccination, condemnation and disposal, disinfection and other measures. Where Federal and State laws so provide, the Service may partially compensate owners of condemned and diseased animals. Among current field activities are testing of herds of cattle for tuberculosis and brucellosis, eradication and control of fever ticks in cattle, vesicular exanthema of swine and scabies of livestock.

Public Law 465, approved April 2, 1956, amended provisions under the Agricultural Act of 1954 to continue the accelerated brucellosis eradication program in fiscal years 1957 and 1958. Authority is included for the transfer from funds available to the Commodity Credit Corporation to the Agricultural Research Service of not to exceed \$20,000,000 annually for these years.

The Service administers acts and regulations regarding interstate transportation of livestock and poultry such as Federal domestic animal quarantines and the 28-hour law which is designed to obtain humane treatment and prevent losses of transported livestock. It also administers the Virus-Serum-Toxin Act, the Hog Cholera Serum and Virus Marketing Agreement Act and other authorities and related regulations covering the inspection and handling of animals for exportation in order to prevent the introducing in the United States of rinderpest and foot-and-mouth disease. The Service also administers regulations covering the importation of animal by-products such as hides, wool, bone meal, etc., to prevent the introduction and dissemination of livestock and poultry diseases of foreign origin.

The Department cooperates with the Government of Mexico in standby measures related to control and eradication of foot-and-mouth disease.

Meat Inspection

Federal meat inspection is required for all meat in interstate commerce and is conducted to assure a clean and wholesome meat supply for human consumption. The work includes inspection of animals, carcasses and meat, and meat-food products at various stages of handling and processing. Measures are enforced to insure informative labeling and meats imported or exported are inspected. Continuous inspection of the manufacture of process butter is also provided.

Research at State Experiment Stations

The Agricultural Research Service of the Department administers the Federal-grant funds which are made available to the agricultural experiment stations of the land-grant colleges in the States, Hawaii, Alaska, and Puerto Rico for agricultural research, including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural life. Grants are made primarily on the basis of prescribed amounts in the authorizing act and partly on the basis of need in specific areas to find solutions to agricultural problems. The States are contributing about \$3 to \$1 paid by the Federal Government. The Federal Government is contributing \$29.5 million to the States in the current fiscal year.

The State agricultural experiment stations conduct research and experiments on the many problems constantly encountered in the development of a permanent and

sustaining agriculture and in the improvement of the economic and social welfare of the farm family. Because of differences in the climate, soil, market outlets, and other local conditions, each State has distinct problems of production and marketing of crops and livestock. The farmers in the individual States naturally look to their State agricultural experiment stations for solution of State and local problems, and in recent years have requested increased service to help meet changing conditons.

The research programs of the State stations, to be most effective, include participation in regional and national programs. Joint attack by a group of State stations is the most effective and often the only practical approach to problems of common interest. The stations, to an ever increasing extent, are acting as regional groups to provide cooperative coordinated attacks on problems of regional and national interest. In a similar manner, the research programs of the State agricultural experiment stations and the Department of Agriculture are supplementary and interdependent.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service performs research, educational, and service work of assistance to three out of five farmers who belong to the 10,000 agricultural marketing and purchasing cooperatives and to business service cooperatives. The Service conducts research studies and service activities on problems of organization, financing, policies, management, merchandising, costs, efficiency, and membership. It publishes the results of such studies and works with cooperatives, the Extension Service, land-grant colleges, State Departments of Agriculture, and other agencies to bring about a better understanding of cooperative principles and practices as applied to the needs of agriculture.

This agency assists farmers to improve the organizational and operating efficiency of their own self-help associations. Research studies are conducted to provide basic information of value in assisting these cooperatives to increase returns to farmers through more efficient marketing of farmers' products and reduction of costs of farm supplies and business services. This work is urgently needed in the face of the present high cost of farm supplies and services and the rising costs of marketing farm products. Service and educational activities performed by the agency make these research findings readily available to farmer cooperatives and agencies working with cooperatives.

COOPERATIVE EXTENSION WORK

The nationwide system of extension work in agriculture and home economics is a partnership between the Federal government and the States and localities primarily to bring on-farm advice and assistance to rural people. This educational activity takes research results, technological advancements, and situation and program facts of the Department of Agriculture and the State Agricultural Colleges and Experiment Stations, and combines them into an adequate educational program which will provide the means by which people can effectively solve their farm and home problems. Through county agents, home demonstration agents, 4-H Club agents, and other specialists, families are provided useful and practical information on subjects relating to agriculture and home economics, and encouraged in the application of such information through the giving of instructions and practical demonstrations and other appropriate means.

Among the major end objectives of this work are:

1. Improving farm efficiency and farm incomes.
2. Developing, improving and conserving agricultural resources.
3. Adjusting agricultural production more in line with effective market demands. In connection with the recently enacted soil-bank legislation, for example, explaining the soil-bank program to farmers and assisting them in its application to their individual situations.
4. Expanding markets for agricultural products.
5. Reducing marketing costs.
6. Improving home and community living conditions.
7. Developing an informed and competent rural youth.
8. Assisting low-income farmers in disadvantaged areas through both individual farm and home counselling and in cooperation with others, encouraging other developments which will help to improve their economic status. (This objective is in keeping with the provisions of Public Law 360, 84th Congress, dealing with rural development.)

To accomplish these and other objectives the activities of the entire co-operative extension organization are directed largely toward:

- a. Insuring the economic stability of farm families by increasing their net income through the application of science and technology resulting from research in agriculture and home economics and related subjects. This is accomplished through teaching the

application of science and technology in reducing costs, increasing efficiency, improving quality and reducing losses in farm production, improving home operations, developing and conserving soil, water and human resources, and improving marketing methods.

- b. Increasing the efficiency of market operations by encouraging the application of research by handlers, processors, wholesalers, retailers and those engaged in transportation and storage of agricultural products. This reduces wastes, lowers costs of marketing, expands market outlets and improves the quality of products for consumers.
- c. Improving family living through promoting the adoption of better nutrition and health measures, improving housing and farm home facilities, wider use of labor-saving equipment and methods, the adoption of farm and home safety measures, and the development and use of community health and recreational facilities.
- d. Assisting youth to understand the application of science to farming, homemaking and marketing through 4-H Club work and training youth to accept their full responsibility as citizens.

The Federal Extension Service, the educational arm of the United States Department of Agriculture, is responsible for administration, coordination and program leadership for the cooperative extension program in the 51 State and Territorial Extension Services including county extension offices in more than 3,000 counties. The Federal Extension Service, as a partner in the cooperative extension effort, is responsible for administering the provisions of Federal laws authorizing extension work; helping to maintain a modern, efficient and dynamic extension system in each State and Territory; coordinating the work among the States in cooperation with committees of State Directors and through other means; pioneering in new educational methods; evaluating the results of work performed; maintaining liaison with research, service, adjustment, and regulatory agencies of the Department; coordinating all educational work of the Department; and cooperating with other departments of government and private organizations in matters relating to extension education.

FOREST SERVICE

The Forest Service is charged with responsibility for promoting the conservation and wise use of the country's forest and related range, water, and other wildland natural resources - as basic factors in national security and strength.

Forests cover one-third of the total land area of the continental United States.

Management of the National Forests -- The guiding principle for managing the National Forests calls for obtaining the maximum practicable yield and use of their many resources on a continuing basis, to meet both local and national needs - under both normal conditions and during time of stress.

The 181,000,000 acres of National Forests are located in 40 States, Alaska, and Puerto Rico. They now have more than one-third of the remaining saw timber in the country. Technical forestry is applied to the growing and harvesting of this and new crops of timber. Estimated harvest through timber sales in 1957 is 7.75 billion board feet. The grazing of approximately 8 million head of livestock is scientifically managed to obtain range conservation along with use of the annual growth of forage. Watersheds are managed for regulation of stream flow, flood control, sources of water for power, irrigation, navigation, and municipal supply. Some provision is made for the more than 45 million visits of people to the National Forests for recreation purposes. Effort is made to apply needed scientific management to the extensive wildlife resource. Protection against forest fires, insects, and disease is a major responsibility. The area of critical fire hazard and increase in fire risk is expanding as a result of widespread insect and disease attack; slash areas and timber harvest operations; a 5-million-person annual increase in recreation use and a generally increased industrial and residential use of the national forests. This demands adequate forces of trained and equipped fire control units to keep pace with the hazards and risks. Where necessary, smoke jumpers are flown to the site of fires to get blazes under control as quickly as possible. Receipts from timber sales, grazing permits, and other sources exceeded \$115,000,000 in fiscal year 1956.

Cooperation with the States and Private Forest Landowners -- State and private forestry programs are designed to assist in the protection and development of non-Federal forest land for the public good and for the prosperity of the individual farm woodland owner. The Federal contribution is through a partnership with the States in protection from fire, insects and disease; and tree planting; technical management assistance; and the use of forests in flood prevention. The States and private landowners are carrying the bulk of the load but Federal assistance, guidance and funds, are necessary to insure effective national programs. The national needs for forest products in both war and peace are growing. Human dependence upon forest use for water, and for wood production are increasing with the rise in population. For example, according to the recent Stanford Research Institute Report the use of pulpwood in the South is expected to increase 107% between 1952 and 1975. Private land is expected to continue to produce most of the timber needed. More than 4 million private owners--mostly small--and 431,000,000 acres are involved. This includes three-fourths of the Nation's woodland resource.

Forest and Range Research -- At 9 Forest and Range Experiment Stations and at the Forest Products Laboratory at Madison, Wisconsin, the Forest Service conducts research in the entire field of forestry and range management, regardless of ownership, including the growth, protection against fire, insects, and disease, and harvesting of timber; management of related range lands; protection and management of watersheds; efficient and economical utilization of forest products; and

research in forest economics. It is conducting a forest survey of the United States - a study of present extent and potential growth and utilization of the Nation's forest resources.

Land Utilization Projects. Under the authority of Title III of the Bankhead-Jones Farm Tenant Act, the Forest Service manages 78 land utilization projects covering about 7 million acres of submarginal land acquired by the Department. The project lands and facilities may be leased to or otherwise made available for use by States, local organizations, and farmers and ranchers at equitable rates under specified conditions of use. Most of this acreage is grazing land. Some of it is being used, however, for timber production and some for miscellaneous agricultural purposes and for recreation and wildlife purposes. Of the revenue received from the use of this land, 25% is paid to the counties in which the land is located.

The acquisition of submarginal land is authorized by Title III of the Act. General land purchases under this program were discontinued at the close of the fiscal year 1942 and no new purchases are contemplated. Under authority of this Act, Government-owned lands may be exchanged for private lands of substantially equal value. In addition these lands may be, under certain conditions, transferred to other Federal agencies or conveyed to non-Federal public agencies with or without cost.

Soil Bank Conservation Reserve -- A new activity involves the planting of trees on land regularly used for crop production, under provisions of the Conservation Reserve section of the Soil Bank Act. The Forest Service is responsible for the technical phases of planting these trees and for the expansion of tree seedling production, primarily through the facilities of State forestry departments.

SOIL CONSERVATION SERVICE

Soil conservation districts program -- The Soil Conservation Service provides technical assistance to farmers, ranchers, and others, through more than 2,721 locally organized soil conservation districts in the United States and its territories and possessions in developing conservation plans and applying soil and water conservation practices on their farms and ranches. These districts, the first of which was organized in 1937, are local units of Government, organized under State laws and responsible to the land-owners and operators in the districts and to the State legislatures. The Service furnishes assistance only upon request from the district governing bodies. Since 1937 there has been a steady increase in the number of soil conservation districts organized and requesting assistance until now more than 2,721 districts have requested assistance in developing farm and ranch conservation plans and application of conservation practices. The work in a soil conservation district requires the services of a soil scientist to make physical inventories of the land to secure data (soil types, degree of slope, character and extent of erosion, present land use, etc.) needed to determine the use capabilities and conservation needs of each acre of land. Soil conservationists, engineers, and other agricultural specialists and aides are also assigned as needed to help the farmers and ranchers to develop and apply individual conservation farm or ranch plans which will provide for the best possible use of their land, labor, and equipment within their ability to finance the work.

Watershed protection and flood prevention programs -- In 1953 the Congress appropriated funds to begin a program of "pilot" demonstration projects to serve as a basis for evaluating the effects of complete conservation treatment of watersheds on the run-off of floodwaters and the reduction in floodwater and sediment damage. There are 58 of these small "pilot" watersheds throughout the country. In 1954 the Congress enacted Public Law 566, approved August 3, 1954, which authorized the Department to cooperate with local watershed organizations in the development of work plans, to furnish technical assistance in the application of conservation practices on farms and ranches, and to provide financial aid and technical guidance in installing works of improvement and land treatment measures in watersheds recommended by the Governors of the respective States or their authorized representatives. Public Law 1018, amending Public Law 566, was passed by the Congress and signed by the President August 7, 1956. This amendment broadens the purpose of the program, facilitates approvals, required the Federal Government to bear the entire flood prevention costs of the structural works of improvement, authorizes and directs the employment of private engineers for non-agricultural construction, authorizes 50 year loans and advances to sponsors, and extends the act to Hawaii, Alaska, Puerto Rico and the Virgin Islands. The first 13 watershed plans were approved for operation and 11 additional were submitted to Congress by June 30, 1956. At that time 172 watersheds had been approved for planning in 45 States and 545 applications for watershed planning assistance had been recommended by the representatives of 46 States and received by the Administrator of the Service. Forty Service work plan parties were assisting the local sponsors prepare watershed work plans. Technical assistance in the application of conservation practices, preparation of detailed construction plans and supervision over the local contractors installing structural measures is being furnished in each approved watershed. Some delay in the schedule for submitting additional watershed plans for approval is anticipated since both approved work plans and those in preparation

need be revised in accordance with the recent amendments to Public Law 566. However, it is estimated that 117 watersheds will reach construction stage in fiscal year 1957 and 120 additional in 1958.

The Department of Agriculture is cooperating with other Federal, State and local agencies, under authority of Section 6 of Public Law 566, in making surveys and investigations of major rivers and waterways as a basis for coordinated programs. In 1956 a review of the agricultural phases of the Lower Mississippi and Tributaries Project of the Corps of Engineers was started. Plans to appraise the direct agricultural benefits of the Colorado River Storage Project are underway with the Department of the Interior. Preliminary arrangements were developed to cooperate with the Corps of Engineers in preparation of a Delaware River Basin Water Resources Survey Report. The Soil Conservation Service cooperates with the Forest Service and Agricultural Research Service in this work and maintains representation on various River Basin Inter-Agency Committees in the field.

The Service is also cooperating with local organizations in the development of work plans and the installation of works of improvement and land treatment measures in the 11 watersheds authorized by the Flood Control Act of 1944. The installation of measures under this program has steadily increased since work was started in 1946 fiscal year. These watersheds are considerably larger than those contemplated under the watershed protection program mentioned above. At present level of operations the completion dates for the program of work in some of these watersheds extend for another 30 or 40 years.

Water conservation and utilization projects -- The Service was assigned the responsibility July 1, 1945 for the development of lands for irrigation on 13 water conservation and utilization projects. Only one project is still active, and 12 have been completed. The Angostura, South Dakota project was completed and the project office closed June 30, 1956. The Eden Valley, Wyoming project is planned for completion in 1962. These projects ranged in size from about 1,000 irrigable acres in the smallest to about 20,000 acres in the largest. Irrigated and irrigable land (both Government and privately owned) is developed by the installation of irrigation systems and land levelling for efficient use of irrigation water. Settlement opportunities are provided for veterans and needy farm families through the sale of developed farm units. The first group of new irrigated farms on the Eden Valley project will be sold prior to the farming season of 1957. Technical assistance for their conservation problems is furnished under this authority to settlers within the active projects and through soil conservation districts after the projects are closed.

Soil Bank Conservation Reserve -- The Service is responsible for soil suitability information wherever needed and practical in conjunction with the selection and establishment of conservation practices. It is also responsible for the technical phases of such practices as water storage facilities including (1) where essential, a finding that the practice is needed and practicable on the farm, (2) necessary site selection, other preliminary work, and layout work of the practice, (3) necessary supervision of the installation, and (4) certification of performance.

AGRICULTURAL MARKETING SERVICE

The domestic phases of the marketing and distribution functions as well as co-ordination of all statistical work of the Department are centered in the Agricultural Marketing Service. It is organized to aid in advancing the orderly and efficient marketing and effective distribution of products from the Nation's farms to the consumers.

The work of the agency falls into several broad areas of activities as described below.

Marketing Research

Marketing research provides for the study and investigation of (a) the uses and market acceptance of new and established agricultural products, techniques for analyzing consumer market behavior, market potentials, and methods of merchandising; (b) trade in specific agricultural commodities, including measurements of costs and margins, market organization and practices, and improvement in market information; (c) the biological, physical and economic aspects of measuring, maintaining, and improving product quality; and (d) transportation rates and costs, and marketing facilities, equipment and handling methods. The research, involving cooperation with other public and private agencies, is designed to benefit all of the major agricultural commodity groups and as many of the other commodities as possible, and to provide research at each stage of marketing, such as in assembly points, terminal or central markets, wholesale and retail markets.

The major objective of this research is to provide market operators, farmers, consumers, Government officials, and other private and public agencies with reliable research information aimed at expanded outlets for farm and food products, reduced costs, and improvements in the efficiency of marketing processes, marketing methods, transportation, storage, marketing facilities and equipment.

Economic and Statistical Analysis

One of the important research activities of the Service involves the collection, analysis, and interpretation of data concerning factors affecting agricultural prices, farm incomes, and supply and consumption of farm products, trends in farm population, and changes in the level of living of farm people.

The results of these studies are made available to farmers through research bulletins, and through "Situation and Outlook Reports." The Situation and Outlook material is widely disseminated by the Extension Service and also by farm organizations. Farmers rely upon the Situation and Outlook material in planning the most profitable adjustments in their farming operations and also in their marketing programs.

Crop and Livestock Estimates

Another broad area of activity is the crop and livestock estimating work of the Department which has been in existence for some ninety-odd years. The crop and livestock estimating service provides timely basic information relating to agriculture, including acreage, yield, and production of crops, the stocks and value of farm commodities, the number, production, and value of livestock items, and prices paid and received by farmers that go into the computation of parity prices.

Thousands of farmers, processors, merchants, and others serve as volunteer reporters and these reports are supplemented by field observations of the Department's statisticians and other data to provide the many published estimates and reports which are basic to planning of agricultural production, and necessary for orderly marketing. The activity is conducted through 41 State offices, most of which are operated as joint State-Federal crop reporting services with the active participation and support of cooperating State agencies. In fiscal year 1956, the cooperative reporting service was extended to Hawaii.

Market News

Another broad area of activity which reaches into every Section of the country and affects the producer of every kind of commodity is the related group of services usually known as the "marketing services" program. Included in this area are the country-wide market news reporting offices which provide objective current information on supply, movement and price at specific markets for practically all agricultural commodities, in addition to a number of special reports dealing with marketing problems of interest to major groups of producers. This is accomplished through the collection of market information at year-round and seasonal offices maintained in more than 100 cities and towns and the dissemination of this information by mail, press, radio, television, telephone, telegraph, bulletin board, and trade and farm publications. More than 1,200 daily newspapers having an average circulation of 37 million--approximately 70 percent of the 53 million circulation of all daily newspapers--carry news based on Federal market reports. A total of about 1,200 radio stations broadcast news regularly, and approximately 100 television stations carry market news reports.

Inspection, Grading, Classing and Standardization

The work on inspection, grading, classing and standardization of agricultural commodities--another marketing service--makes possible the establishment of uniform standards of quality for agricultural products thereby promoting confidence between buyers and sellers, reducing hazards in marketing due to disputes and misunderstandings which arise when non-standard descriptions are used, encouraging better preparation of products for market, and furnishing consumers with more definite information as to quality of products they buy. These standards are applied directly by or under the supervision of AMS employees at the request of any interested party for the inspection and grading of fruits, vegetables, dairy and poultry products, grain and related products, and other commodities, and for the grading of meat and meat products. Fees and charges are collected which, as nearly as possible, cover the cost of the service. For some commodities the application of Federal grades and standards is mandatory and is financed by Federal appropriations.

Under the Smith-Doxey Act of 1937, farmers organized to promote improvement of cotton quality are eligible for free classing service. Under the Tobacco Inspection Act of 1935 tobacco producers selling tobacco at designated auction markets are eligible for free inspection and grading service.

Regulatory Acts

The marketing services program also includes the administration and enforcement of several regulatory acts to assure fair play in the market place and to protect producers and handlers of agricultural commodities from financial loss due to deceptive, careless or fraudulent marketing practices. Included among these acts are the Packers and Stockyards, Perishable Agricultural Commodities, Produce

Agency, Standard Container, U. S. Warehouse, and Federal Seed Acts. These acts regulate various marketing activities, and the administration of each includes two or more of the following: (1) licensing or registration, (2) supervision of operations of licensees, (3) collection and testing of samples, and (4) handling of violations.

Freight Rate Services

Under this activity, the AMS maintains a central point in the Government where assistance can be provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services by participation on their behalf in cases before the Interstate Commerce Commission and other regulatory bodies and through informal negotiations with carriers and groups of carriers. Rate adjustments effected in any one year range from reductions in rates on particular commodities between specific points to adjustments that cover the entire country on all commodities.

Administration and Coordination of State Payments

This activity relates to the administration and coordination of payments to State Departments of Agriculture and other agencies of States for cooperative efforts directed toward improving marketing practices and methods. This effort is directly related to putting into actual practice the results of the marketing research program. Thirty-eight states and three territories participated in this work in the 1956 fiscal year.

School Lunch Program

Federal assistance, in the form of both funds and food, is provided to States and Territories for use in serving nutritious midday meals to children attending schools of high school grades or under in order to improve the health and well-being of the Nation's children and broaden the market for agricultural food commodities. During fiscal year 1956, a total of \$67.1 million was provided to States as cash payments and \$14.8 million of the school lunch appropriation was used by the Department to make large-volume purchases of highly nutritious food for participating schools. In the current fiscal year, a total of \$100 million will be available to the School Lunch Program.

The School Lunch Program furnished noon-day meals to about 1/3 of the Nation's 35,000,000 school children in the fiscal year 1956. This program also utilized 2.7 billion pounds of food, of which 2.3 billion pounds were purchased in local markets and .4 billion pounds were distributed by the Department under Section 6 of the National School Lunch Act, Section 32 of the Act of 1935, as amended, and Section 416 of the Agricultural Act of 1949, as amended. Surplus commodities donated amounted to 266.7 million pounds at an estimated cost of \$102.0 million.

Special Milk Program

The Special Milk Program, authorized by the Agricultural Act of 1954, as amended, provided for the use of not to exceed \$50,000,000 for fiscal year 1955 and \$60,000,000 for fiscal year 1956 of Commodity Credit Corporation funds to be used to increase the consumption of fluid milk by children in non-profit schools of high school grade and under.

The Special Milk Program was established after the 1954-55 school year had commenced. Despite a late start, over 8.6 million children in over 41,000 schools participated in the program resulting in the consumption of more than 450 million additional half-pints of milk over the normal consumption of the schools participating.

In the second year of operation, under this program, about 1.4 billion half-pints of milk were served to children in over 62,000 schools participating in the program.

The 84th Congress, 2nd Session, passed legislation authorizing \$75,000,000 each for two additional years, 1957 and 1958, and extending the outlets to include non-profit nursery schools, child-care centers, settlement houses, summer camps, and similar non-profit institutions devoted to the care and training of children.

Removal of Surplus Agricultural Commodities

Under Section 32 of the Act of August 24, 1935, as amended, an amount equal to 30 percent of customs receipts during each calendar year and unused balances up to \$300 million are available for expanding market outlets for farm commodities by removing from the market surplus agricultural commodities through:

Purchase for distribution through State distributing agencies to school lunch programs, and to welfare agencies and institutions eligible to receive such purchases.

Encouragement of exports through payments which will permit the sale of surplus commodities in foreign markets.

Encouragement of domestic consumption by diversion from normal channels of trade to by-products and new uses.

The basic authority also provides that these funds shall be devoted principally to perishable nonbasic agricultural commodities (other than those receiving price support under Title II of the Agricultural Act of 1949, as amended) and their products. These other commodities are: Tung nuts, honey, milk, butterfat, and the products of milk and butterfat. It has been determined that this provision can be legally satisfied by setting aside or reserving the principal portion of Section 32 funds for the use of perishable nonbasic agricultural commodities when the occasion arises warranting their use for such purpose. The remainder of the funds may then be used for other authorized purposes. Not to exceed 25% of funds available under the Act may be used for any one commodity or product thereof.

Public Law 540 (84th Congress) provides authority whereby an additional sum of \$500,000,000 may be appropriated annually to further carry out the purposes of Section 32, of which not to exceed 50% of such funds may be used for any one commodity.

Carried out under this fund also are the marketing agreement and order programs which are voluntary arrangements between the Secretary of Agriculture and handlers of farm products and are put into effect upon request from the industry. These programs serve to strengthen prices by establishing and maintaining orderly marketing conditions.

Under Section 32 supervisory assistance is furnished local and State groups on the preservation of surplus commodities for year-round use. The Department also cooperates with local producers and distributors in trade merchandising programs to increase sales of plentiful foods through regular channels of trade.

These programs directly or indirectly tend to maintain prices received by farmers for many commodities.

Distribution of Surplus Agricultural Foods

The distribution of Surplus Agricultural Foods assigned to AMS is conducted under the authority of Section 32 of the Act of August 24, 1935, as amended, and Section 416 of the Agricultural Act of 1949, as amended. There was a substantial increase in the utilization of surplus foods during the 1956 fiscal year. The increase was primarily the result of new legislation enacted by Congress, and intensified efforts to make best possible use of these foods acquired under price support and surplus removal operations. Distribution of these foods is made to schools, charitable institutions and needy persons in such a manner as not to diminish normal expenditures for foods.

A total of 2,015.2 million pounds of foods were distributed to users at home and abroad during the 1956 fiscal year, compared with a total distribution of 1,034.3 million pounds in the 1955 fiscal year. The foods distributed in this country went to 12 million school children, and over one million needy persons in charitable institutions. In addition, 3,500,000 needy persons in family units are currently certified by State agencies to receive commodities. The number of these people actually receiving commodities at any one time is always somewhat below the number certified.

Requests for food for distribution abroad are met after all domestic demands have been satisfied. By the end of the fiscal year, 25 U. S. welfare agencies were participating in this program, with commodities going to 84 countries. Commodities donated abroad included beans, butter and butter oil, cheese, corn, dry milk, rice, cottonseed oil, shortening, and wheat.

The increase in total distribution reflects an intensified effort to make maximum constructive use of foods acquired by the Department in the conduct of price support and surplus removal programs.

The following table shows the quantity and cost of surplus foods donated for domestic and foreign use in the 1956 fiscal year.

| | <u>Quantity</u> (million pounds) | <u>Cost</u> (Million) |
|----------------------|-------------------------------------|--------------------------|
| Schools | 266.7 | \$102.0 |
| Institutions | 133.2 | 44.8 |
| Needy Persons | 394.8 | 93.0 |
| Foreign Distribution | <u>1,220.5</u> | <u>308.0</u> |
| Total | 2,015.2 | \$547.8 |

In addition, distribution of other surplus commodities, such as feed for livestock in disaster areas is made under Sections 202 and 407 of the Agricultural Act of 1949, as amended.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922 as amended, the objectives of which are: to prevent commodity price manipulation and corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust-fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The basic act was designated as the Grain Futures Act and conferred limited authority with respect to futures trading in grains only. By later amendments its short title designation was changed to "Commodity Exchange Act" and its regulatory provisions strengthened and extended to cotton, millfeeds, butter, eggs, potatoes, rice, wool-tops, fats and oils, cottonseed, cottonseed meal, peanuts, soybeans, soybean meal, wool, and onions.

FOREIGN AGRICULTURAL SERVICE

Analysis of Foreign Agriculture and Trade

The Foreign Agricultural Service administers the foreign agricultural programs of the Department and develops plans and policies related to the administration of the foreign affairs and interests of U. S. agriculture. It disseminates to American agriculture the basic information essential to the aggressive foreign marketing of U. S. agricultural products and to making necessary adjustments to meet changing situations abroad.

The stabilization and expansion of world trade, particularly in agricultural products, is actively encouraged through the removal of barriers to trade, the solution of monetary problems, the study of foreign competition with American products, the analysis of market situations affecting the sale of agricultural commodities throughout the world, and making facts obtained available to U. S. farmers, processors, exporters and other interested groups. United States agricultural interests are represented and their position presented in development of international agreements.

Agricultural Attaches

Agricultural Attaches are employed and stationed in more than 50 countries throughout the world to represent U. S. agriculture at their posts. Their work includes a comprehensive system of reporting to meet the needs of U. S. agriculture, to speak on behalf of American agriculture at their posts, and to take appropriate steps in the development of foreign markets for U. S. agricultural products.

Section 32 Programs

The Foreign Agricultural Service, with funds provided from Section 32, carries out a broad program aimed at developing markets abroad for United States agricultural products in surplus or potential surplus supply.

Importation of articles which render ineffective, or tend to interfere with, programs carried out by the Department is investigated under Section 22 of the AAA of 1933, as amended, and a recommendation for action is submitted to the President. Import controls are also administered, including the issuance of import licenses.

Sale of Agricultural Commodities for Foreign Currencies under Public Law 480

Title I of the Agricultural Trade Development and Assistance Act (Public Law 480) authorizes the President to enter into agreements with friendly nations providing for the sale of surplus commodities for foreign currencies. In negotiating such agreements the President is required, among other things, to take reasonable precautions to safeguard usual marketings of the United States and to assure that sales for foreign currencies will not unduly disrupt world prices, to take appropriate steps to assure the use of private trade channels, and to give special consideration to the development and expansion of demand abroad for agricultural commodities. The President is authorized to use, in agreement with the country concerned, foreign currencies accruing from sales for various purposes, including market development.

Public Law 387 approved August 12, 1955 amended Public Law 480 by increasing the limitation on sales for foreign currencies from \$700 million to \$1.5 billion. It also provided that the limitation shall not be apportioned by year or by country. This legislation also authorized the Secretary of Agriculture to determine the nations with whom agreements shall be negotiated and to determine the commodities and quantities which may be included in such negotiations and agreements. Public Law 962 approved August 3, 1956 amended Public Law 480 by further increasing the limitation on sales for foreign currencies from \$1.5 billion to \$3 billion.

As of June 30, 1956, a total of 59 agreements, or supplements to agreements, had been signed with 27 foreign governments. The total value of these agreements at CCC cost is approximately \$1,467 million. The export market value, including ocean transportation, amounts to about \$1,042 million. Approximately 52 percent of the value of programs authorized provided for the financing of export sales of two of the most burdensome surplus commodities--wheat and cotton.

Programs for the Export of Surplus Agricultural Commodities
by the International Cooperation Administration

Section 402 of the Mutual Security Act of 1954, as amended, provided that a minimum of \$300 million of fiscal year 1956 mutual security funds be used to finance the sale abroad, for foreign currencies, of our surplus agricultural commodities. Procurement authorizations issued during fiscal year 1956 under this provision totaled \$355.5 million, including \$157 million in grains, \$105.4 million in cotton, and \$15.6 million in fats and oils. The law requires that not less than \$250 million of fiscal year 1957 mutual security funds be used for this purpose. The local currency proceeds derived from such surplus sales become the property of the United States. They are being used, in accordance with agreements with each government, to carry out the objectives of the mutual security program--that is, among others, for military assistance, defense support, or economic development assistance.

Title II of the Agricultural Trade Development and Assistance Act, as amended, provides that up to \$500 million worth of surplus commodities held by the Commodity Credit Corporation (CCC) may be used over a 3-year period to provide assistance to friendly peoples in meeting famine or other urgent or extraordinary relief requirements. By the end of the 1956 fiscal year, shipments authorized totaled about \$218 million. Commodities authorized included \$150 million in grain, \$31 million in fats and oils, \$27 million in milk and milk products, \$7 million in raw cotton, and \$3 million in dry beans.

COMMODITY STABILIZATION SERVICE

Agricultural Adjustment Programs

The purpose of this program is to carry out acreage allotment and marketing quota programs authorized by Title III of the Agricultural Adjustment Act of 1938 as amended. These programs are designed to keep the production of the basic commodities - tobacco, peanuts, wheat, cotton, corn, and rice in line with demand in order to give each farmer a fair share of the available market and the total production required. The Agricultural Act of 1956 made corn acreage allotments inoperative for 1956 and substituted base acreages instead. Whether allotments or base acreages are to be used when an acreage reserve program is in effect is dependent upon the outcome of the referendum to be held not later than December 15, 1956.

The national acreage allotment (in the case of wheat and corn, allotment for commercial producing area) is set at a level which, based upon normal or average yield, will result in ample production for domestic consumption, exports, and adequate reserves. The total acreage is divided among States or counties on the basis of production history for a specified number of years preceding the year for which the allotment is determined, with adjustments for production trends, abnormal weather and production conditions, previous allotments, and other factors.

State or county allotments are apportioned among eligible farms. Acreage allotments, unless implemented by marketing quotas, do not constitute an enforced limitation on production. However, when acreage allotments are in effect for any basic commodity, compliance therewith is a condition of eligibility for price support.

Marketing quotas must be proclaimed for tobacco when the total supply exceeds the reserve supply level or if quotas were proclaimed for the kind of tobacco in the immediately preceding year; for peanuts each calendar year regardless of the supply situation; for upland cotton when the total supply exceeds the normal supply; for extra long staple cotton when the total supply exceeds the normal supply by more than 8 percent; and for wheat and rice when the total supply exceeds the normal supply by a stated percentage. Marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, do not apply to corn.

Quotas do not become effective unless at least two-thirds of eligible farmers voting in a referendum approve quotas. Quotas may be increased or suspended under certain demand and supply conditions, in the interest of consumers, or in national emergencies. For example, acreage allotments and marketing quotas were in effect on the 1955 crops of tobacco, peanuts, wheat, cotton, and rice whereas acreage allotments alone were in effect on the 1955 crop of corn.

Sugar Program

The principal objective of the sugar program as stated in the Sugar Act of 1948, as amended, is "to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry". The attainment of this objective involves (1) determination of United States consumption requirements; (2) administration of quotas to regulate imports of sugar produced in foreign areas, as well as marketings of sugar produced in domestic areas; (3) the allotment of quotas to individual processors when necessary to insure orderly marketing; and (4) payments to domestic producers of sugar beets and sugar cane, provided producers comply with certain requirements with respect to child labor, wage rates, fair prices and proportionate shares prescribed by law.

Current production in all the domestic sugar producing areas, except the Virgin Islands, has reached or exceeded quota levels, also, in some domestic areas sugar stocks are in excess of normal carry-over requirements. This situation has made operative essentially all of the regulatory features of the Sugar Act designed to promote orderly marketing and to avoid production surpluses. Pertinent functions under the Sugar Act, together with others which are now operative, are as follows:

1. The determination of sugar consumption requirements for the continental United States and the establishment of quotas consistent with the provisions of P.L. 545 (approved May 29, 1956) which restore to domestic producers their historic share in the growth of the United States sugar market. Also, the determination of sugar requirements for local consumption in Puerto Rico and Hawaii.
2. Allotments of quotas to individual marketers of sugar. Currently sugar supplies and production prospects in all domestic sugar areas, except Hawaii and the Virgin Islands, are such that marketing allotments are necessary to insure orderly marketing.
3. Administration of quota and allotment control regulations including the development and maintenance of quota and allotment accounting records.
4. Development of technical regulations defining raw sugar, direct-consumption sugar, total sugar content, and further refining or improving in quality as required by P.L. 545.
5. Establishment of restrictive proportionate shares (farm allotments) for individual farms. Production plus inventory stocks in all domestic areas, except Hawaii and the Virgin Islands, are at levels which require restrictive farm allotments in order to balance supplies within such areas to quota and normal carry-over requirements.
6. Administration of new proportionate share provisions of P.L. 545 pertaining to, (a) producers whose past production has been adversely affected by natural calamities, (b) sugar beets and sugar cane marketed for the production of sugar for livestock feed or the production of livestock feed; and (c) transfer of sugar cane production history of parcels of land in Puerto Rico.

7. Determination of effective compliance at field levels. Checking of compliance with respect to the conditions of payment, ie., child labor, fair price, fair wage and acreage restrictions.
8. Conduct of periodic field surveys to determine returns, costs, profits, man-hour requirements, etc., of producing and processing sugar cane and sugar beets. These data are essential to the implementation of the fair wage and price provisions of the Sugar Act.
9. Participation by the United States in the International Sugar Agreement. The International Sugar Agreement was ratified by and with the consent of the Senate on April 29, 1954. The additional responsibilities relate primarily to the development of the United States Government policies and procedural recommendations with respect to the administration of the Agreement, carrying out of obligations assumed by the U. S. Government, and supplying data for special studies of the Council.

Agricultural Stabilization and Conservation Committees

At the State and local levels, the functions and responsibilities of the Commodity Stabilization Service, as well as those of the Agricultural Conservation Program Service and the Commodity Credit Corporation, are administered by State, county and community Agricultural Stabilization and Conservation Committees, frequently referred to as ASC Committees.

These committees, established in accordance with the provisions of Section 8 (b) of the Soil Conservation and Domestic Allotment Act, are described as follows:

(a) State committees consist of not less than three nor more than five farmer members appointed by the Secretary of Agriculture plus the State Director of Extension. The farmer members serve one year terms and may not serve more than three terms consecutively. The committee determines programs and administrative policy. Its policies are carried out by its employees under the direction of an Administrative Officer.

Functionally the State Committee reviews basic farm data; reviews and approves allotment and marketing quota work of County Committees; certifies results of referendum; spot-checks acreage measurements; instructs county and community committees, warehousemen, buyers, dealers, and others concerning various provisions of the acreage allotment and price support programs; supervises administration of acreage allotment and marketing quota programs; schedules penalty collections to appropriate account; audits and certifies claims for refunds; prepares reports on violations; and recommends marketing review committees for appointment by the Secretary of Agriculture.

With respect to price support activities the State Committee approves acceptable types of storage structures; recommends the kinds of support which should be used; determines grade and grade factors for commodities on which loans are to be made; supervises acquisition and sale of CCC bins and equipment; establishes policy for reinspection of loan commodities; and supervises storage and shipment of commodities acquired by the Government.

With respect to Soil Bank activities the State Committee supervises and reviews acreage and conservation reserve program work of the county committees, may revise any of the county committees' determinations, determines county allocations governing program participation, spot checks acreage determinations, instructs county and community committeemen, prepares reports on violations and assists county committeemen with all aspects of their work.

(b) County and community committees consist of farmer members elected annually by farmers in the county who are cooperating or participating in programs administered locally by the committees. Community committees assist the county committees in carrying out assigned programs.

Following are the functions of local committees:

(a) Community committees recommend farm acreage allotments, assist in conducting referendum, and if farmers vote quotas into effect, determine performance, and otherwise assist in administering programs. The Community Committeemen also assist in the administration of loan and other price support programs. They also assist the county committee in the administration of the acreage and conservation reserve programs at community levels in connection with the establishment of yields and practices and other aspects of these programs where first-hand knowledge of farming practices in the community are required. In addition, they inform farmers of the purposes, provisions and progress of programs and cooperate with other local agricultural leaders in integrating all farm programs.

(b) County committees secure basic agricultural data, determine acreage allotments and conduct referendums. If farmers vote quotas into effect, measure planted acreages; issue marketing cards, obtain and audit records of production and sales; determine and report violations; and determine, collect, and make appropriate disposition of penalties. With respect to loans and purchases under the price support program, the county committeemen determine eligibility of producers; determine eligibility of farm storage facilities; supervise the erection, maintenance and sale of CCC storage bins; inspect and sample loan commodities to determine quantity, grade, and loan value; provide for liquidation of loans; arrange for grading, storing, and shipping commodities acquired by the government; and assist producers and handlers in working out methods of marketing. In connection with acreage and conservation reserve programs they control allocations for program participation, sign agreements, issue certificates and CCC sight drafts, determine normal yields and compensation, establish community check yields, appraise yields, recommend local practices, determine compliance with program requirements by determining acreage and other means, approve methods for control of noxious weeds, furnish producers with conservation materials and services, approve protective cover crops and handle any other program work involving direct contact with farmers.

SOIL BANK PROGRAMS

Background of Soil Bank

The American farmer is faced with tremendous surpluses which are still depressing farm prices and overflowing storage. Immediate measures are needed to check the build-up of these excessive supplies--and start working out from under them. The Soil Bank, by encouraging the necessary adjustments, offers a direct attack on the surplus problem. It seeks to reduce stocks to manageable levels--while protecting current farm income. At the same time, the Soil Bank offers direct help for constructive long-range conservation developments.

This attack on two fronts is through:

1. The Acreage Reserve--to reduce surpluses of the six basic crops--wheat, cotton, corn, tobacco, peanuts, and rice--by adjusting acreages below established "allotments."
2. The Conservation Reserve--to cut back production of crops in general by shifting acreage to long-range conservation uses.

By taking part in the Soil Bank, farmers will help promote stability for American agriculture, with better prices for their products in the market place. They will maintain or increase their current net income. They will improve the production potential of their farms.

Soil Bank Act

The principal objectives of the Soil Bank Act (Title I of the Agricultural Act of 1956, Public Law 540, approved May 28, 1956) are to assist farmers to divert a portion of their cropland from the production of excessive supplies of agricultural commodities; to protect and increase farm income; to protect natural soil, water, forest, and wildlife resources from waste and depletion; and to protect interstate and foreign commerce from burdens and obstructions which result from excessive supplies of agricultural commodities. The Soil Bank Act does not supplant any other national farm program. To be eligible to participate in the Soil Bank Programs a producer must comply with the acreage allotment or base acreage established for the farm.

The amount by which a producer underplants his acreage allotment or base acreage in order to participate in either the Acreage Reserve Program or Conservation Reserve Program for the purpose of future acreage allotments or base acreages is considered as planted to the commodity during such year.

Acreage Reserve Program

The Acreage Reserve Program is applicable for the 1956, 1957, 1958, and 1959 crops of cotton; wheat produced in the commercial wheat-producing area; corn produced in the commercial corn producing area; peanuts except in cases where the acreage allotments were increased for Valencias and Virginias for the 1956 crop; rice; flue-cured tobacco; Virginia sun-cured tobacco; cigar binder tobacco types 51, 52, 54, and 55; and Ohio cigar filler tobacco types 42, 43, and 44;

burley tobacco; Maryland tobacco; dark air-cured tobacco; and fire-cured tobacco. To be eligible to participate in the Acreage Reserve Program, the producer enters into an agreement with the county agricultural and stabilization committee to underplant designated acreages within prescribed limits. Producers are not permitted to harvest crops or graze livestock on the land designated unless the Secretary, after certification of the need for grazing such acreage by the Governor of the State, determines that it is necessary to permit grazing to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural causes.

Producers shall be compensated for participating in the Acreage Reserve Program through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in cash or in the case of certificates issued with respect to grains, in grains at a price that will not materially impair the market price for such grain and will, to the extent practicable, encourage acceptance of grains in lieu of cash. The total amount of compensation paid in any year is limited to 750 million dollars.

1956 Program

Because most basic crops were planted before the Soil Bank Act became effective farmers are allowed to participate in the 1956 acreage reserve program under special provisions effective only this year. Those with acreage allotments or corn base acreages are eligible if they (1) underplanted their allotments or corn bases in anticipation of the program or because of bad weather; (2) underplanted their 1956 winter wheat allotment because of bad weather; (3) complied with their acreage allotments or corn bases and an acreage of a particular basic crop was not harvested due to natural causes; and (4) if they can qualify by plowing, disking or mowing a certain portion of a basic crop before a compliance deadline. The restriction on grazing on acreage reserve land did not become effective until June 23, 1956. The Secretary of Agriculture has lifted this restriction until September 30 in some drought areas of the West.

Base Acreage and Price Support for Corn and Other Feed Grains

The Agricultural Act of 1956 provides a corn base acreage of 51,000,000 acres for the commercial corn-producing area for each year for which the reserve program is in effect. It also provides, for the 1957 and subsequent crops, that producers in the commercial corn-producing area must determine, (by referendum not later than December 15, 1956) whether they favor (1) a base corn acreage and price support as provided for corn and other feed grains in the Agricultural Act of 1956, or (2) acreage allotments as provided in the Agricultural Adjustment Act of 1938 and price support provided in the Agricultural Act of 1949.

Conservation Reserve Program

To participate in the Conservation Reserve Program the producer enters into an agreement to remove cropland from production and use it exclusively for conservation practices. The agreement will be for a minimum of three years for maintaining grassland in vegetive cover to a maximum of 15 years for diverting the land to tree cover. The land to be diverted must be land regularly used in the production of crops including tame hay, alfalfa, and clovers, and the

producer must establish and maintain for the contract period a protective vegetative cover, water storage facilities, or other specified soil conserving practices. The producer must, also, agree not to graze or harvest crops on the established acreage except timber in accordance with good forestry management, and other sound management practices.

In return, producers participating in the program will receive up to 80 percent of the cost of establishing permanent conservation practices on the land and an annual rental for the acres placed in the reserve. The annual payment will be based on the value of the land for producing crops, land rent rates in the locality, and necessary incentive to encourage participation. Total payments under this program are limited to 450 million dollars a year.

Soil Bank Financing

The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities for the Soil Bank Programs.

In fiscal year 1957 the Soil Bank Program will be financed from funds advanced by the Commodity Credit Corporation and the Corporation subsequently is to be reimbursed by appropriation for the actual costs incurred. In fiscal year 1958 and succeeding years the financing will be by appropriation and the Corporation is prohibited from making any expenditures in connection with the program unless it has received funds to cover such expenditures from appropriations.

Assignment of Administrative Responsibilities for the Soil Bank

To facilitate the discharge of his functions and responsibilities under the Soil Bank Act, the Secretary has assigned to agencies of the Department the responsibilities listed below. These responsibilities for Soil Bank functions are also described in the accompanying statements concerning individual agency programs and activities.

SOIL BANK PROGRAM

A. Conservation Reserve Program

1. Program formulation. (a) The Agricultural Conservation Program Service shall be responsible at the national level for formulating, with the assistance of the Forest Service, the Soil Conservation Service, and the Commodity Stabilization Service, the program provisions relating to the conservation practices to be carried out on acreage set aside under the Conservation Reserve Program, including the rates of cost-sharing and maximum cost-share limitations.

(b) The State Agricultural Stabilization and Conservation committee (including the State Director of Extension), the State Conservationist of the Soil Conservation Service, and the Forest Service official having responsibility for farm forestry in the State shall be responsible for developing,

within national authorizations, recommendations and requirements needed to adapt the conservation practices to the conditions in the State. The President of the Land-Grant College, the State Director of the Farmers Home Administration, the State Soil Conservation Committee (Board or Commission), the State Agricultural Extension Service, State Foresters, and other appropriate State and Federal agencies within the State shall be invited to designate representatives to participate in the deliberations on these State recommendations and requirements.

(c) The county Agricultural Stabilization and Conservation committee (including the County Agricultural Extension Agent), the local Soil Conservation Service technician, and the Forest Service representative having responsibility for farm forestry in the county, in consultation with the governing body of the Soil Conservation District on the overall conservation problems in the county, shall be responsible for developing, within national and State authorizations, recommendations and requirements needed to adapt the conservation practices to the conditions in the county. The Agricultural Stabilization and Conservation community committeemen, the governing body of the Soil Conservation District, the County Supervisor of the Farmers Home Administration, and representatives of other appropriate State and Federal agencies within the county shall be invited to participate in the deliberations on the county recommendations and requirements. The work plans of the Soil Conservation District and of the Federal agencies involved shall be considered in developing the county recommendations and requirements.

(d) The Soil Conservation Service shall be responsible for soil suitability information wherever needed and practical in conjunction with the selection and establishment of conservation practices. It shall also be responsible for the technical phases of such practices as water storage facilities including (1) where essential, a finding that the practice is needed and practicable on the farm, (2) necessary site selection, other preliminary work, and layout work of the practice, (3) necessary supervision of the installation, and (4) certification of performance.

(e) The Forest Service shall be responsible for the technical phases (other than soil suitability determinations where needed) of conservation practices involving the establishment of forest plantings. This responsibility shall include (1) providing necessary technical assistance, (2) development of specifications for forestry practices, (3) working through State and county committees, determining performance in meeting these specifications, and (4) expansion of production of forest tree seedlings necessary for this program, primarily through the facilities of the State forestry departments.

(f) The Commodity Stabilization Service shall be responsible for formulating the program provisions relating to the annual payments, including the rates of payment per acre.

2. Operating policies. (a) The Agricultural Conservation Program Service shall be responsible for developing, with the assistance of the Forest Service, the Soil Conservation Service, and the Commodity Stabilization Service, the operating policies relating to conservation practices, such as the furnishing of conservation materials and services, the replacement of conservation practices destroyed through causes beyond the control of the farm operator, and the time and order of applying the conservation practices to the land.

(b) The Commodity Stabilization Service shall be responsible for developing the operating policies relating to the annual payments.

3. Operating procedures. The Commodity Stabilization Service shall be responsible for developing, with the assistance of the Agricultural Conservation Program Service, the operating procedures needed in the administration of the program.
4. Field supervision. The Commodity Stabilization Service shall be responsible for field supervision of the functions performed by the Agricultural Stabilization and Conservation committees.
5. Program review and appraisal. (a) The Agricultural Conservation Program Service shall be responsible for review and appraisal of the program insofar as the conservation phases of the program are concerned.

(b) The Commodity Stabilization Service shall be responsible for review and appraisal of the program insofar as the adjustment phases of the program are concerned.

B. Acreage Reserve Program. The Commodity Stabilization Service shall be responsible for program formulation, operating policies, procedures, field supervision, and program review and appraisal for the Acreage Reserve Program. It shall consult with Conservation agencies of the Department with respect to the relationship of Acreage Reserve activities to the Department's conservation policies and programs.

C. Educational Services with respect to the Conservation Reserve and the Acreage Reserve Programs. The Federal Extension Service, (working through State Agricultural Extension Services and other State and Federal agencies operating at the State and county level) shall be responsible for developing and conducting an educational program which will insure that farmers in all States and counties have an adequate understanding of the Soil Bank Program.

COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. The board consists of the Secretary of Agriculture and six other members appointed by the President and confirmed by the Senate. In addition, the Corporation has a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

The Corporation has an authorized capital stock of \$100,000,000, held by the United States, and authority to borrow up to \$14,500,000,000.

Price Support

(CCC nonrecourse loan, purchase and payment program)

Price support operations are carried out under the Corporation's charter powers (15 USC 714), in conformity with the Agricultural Act of 1949 (63 Stat. 1051), the Agricultural Act of 1954 (68 Stat. 897), which includes the National Wool Act of 1954, and with respect to certain types of tobacco, in conformity with the Act of July 28, 1945 (59 Stat. 506). Under the Agricultural Act of 1949, price support is mandatory for six basic commodities -- corn, cotton, wheat, rice, peanuts, and tobacco -- and specific nonbasic commodities, namely tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Price support for wool and mohair is mandatory under the National Wool Act of 1954. Price support is discretionary for other nonbasic agricultural commodities under the provisions of Section 301 of the Agricultural Act of 1949, as amended. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producer's commodities serve as collateral for price support loans. With limited exceptions, price support loans are "nonrecourse" and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

In all its price support operations the Corporation utilizes normal trade facilities to the maximum extent practicable. In its lending activities the Corporation uses local banks, cooperatives, and other private lending agencies. Commercial storage facilities are used to a great extent in the storage of loan collateral and in the storage of stocks acquired by the Corporation.

The National Wool Act provides for the national security and promotes the general economic welfare by encouraging the domestic production of approximately 300 million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade. The Act authorizes an incentive payment program which provides a support level for shorn wool not in excess of 110% of parity. Incentive payments to producers cannot exceed at any time an amount equal to 70% of accumulated customs receipts collected on wool since January 1, 1953. Reimbursement to CCC for a fiscal year's costs, including amounts expended in prior years not previously reimbursed, cannot exceed 70% of specific duties collected on wool during the preceding calendar year.

In order to expand the domestic market for fluid milk, as a means of reducing the volume of dairy products being acquired by the Corporation, a special program was authorized by section 201 of the Agricultural Act of 1949, as amended. This authorization continued, on an increased level, the program initiated in 1954, whereby, beginning July 1, 1956, and ending June 30, 1958, not to exceed \$75,000,000 annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in (1) non-profit schools of high school grade and under and in (2) non-profit nursery schools, child care centers, settlement houses, summer camps and similar non-profit institutions devoted to the care and training of children. This special milk program is administered by the Agricultural Marketing Service.

As a further means of increasing the utilization of dairy products, section 202 of the Agricultural Act of 1949, as amended, authorized a special program to operate through December 31, 1958, under which the Corporation is donating butter, cheese, and dried milk to Veterans' Administration and the armed services upon certification by them that the usual quantities of dairy products have been purchased in the normal channels of trade. In addition the Corporation is reimbursing these agencies at the rate of \$4.10 per cwt. for purchases of fluid milk made in addition to their usual purchases.

Section 407 of the Agricultural Act of 1949 authorized the Corporation to make available farm products for use in distress areas and in connection with any major disaster determined by the President to warrant assistance under Public Law 875. Under this authority the Corporation has donated stocks of corn, oats, barley and grain sorghums in a manner which enabled stockmen and farmers in drought stricken areas to buy livestock feed at reduced prices.

Supply and Foreign Purchase Program

This program is carried out under the authority contained in the Corporation's charter, particularly sections 5(b) and (c) thereof. The Corporation procures foods, agricultural commodities, their products, and related materials to supply the requirements of Government agencies, foreign governments, and relief and rehabilitation agencies and to meet domestic requirements. Foods, agricultural commodities, and their products are procured or aid is given in their procurement to facilitate distribution or to meet anticipated requirements

during periods of short supply. The Corporation may also, through purchases, loans, or other means, make available materials and facilities required in connection with the production and marketing of agricultural commodities.

Operations involving procurement for other Government agencies are conducted in accordance with procedures and policies reasonably calculated to assure compliance with section 4 of the Act of July 16, 1943 (15 U. S. C. 713a-9), which requires that the Corporation be fully reimbursed for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of any other Government agency from the appropriate funds of such agency. Operations not subject to section 4 of such act may involve losses if such are necessary to the accomplishment of the objects of the particular operation.

The main activities now carried on are procurement of commodities for the International Cooperation Administration, and initial financing of certain programs authorized under the Defense Production Act to assure adequate supplies of strategic and critical materials.

Storage Facilities Program

This program is carried out under the authority contained in the Corporation's charter, particularly sections 4(h), 4(m), and 5(a). The Corporation (a) purchases and maintains granaries and equipment for care and storage of grain owned or controlled by the Corporation; (b) makes loans for the construction or expansion of farm storage facilities; (c) provides storage-use guaranties to encourage the construction of commercial storage facilities; and (d) undertakes other operations necessary to provide storage adequate to carry out the Corporation's programs.

CCC-owned bin sites, which are used when adequate commercial storage is not available, have a capacity of 894 million bushels (as of June 30, 1956) and thereby remove this quantity of grain from competition for farm and commercial storage in the Corn Belt.

Farm storage facility loans are available to farmers through local banks under guarantee by the Corporation, or direct from the local county ASC committees. These loans, which may run up to 80 percent of the cost of the new storage facilities in most States, can be paid off over a four-year period.

Storage equipment loans, by guarantee or made direct by CCC, are also available to farmers for financing the purchase of drying equipment for the conditioning of farm-stored crops. Such loans, up to 75 percent of the equipment cost, are payable in three annual installments.

The above types of assistance in helping to expand grain storage facilities are in addition to such special aids as guaranteed occupancy of new warehouse storage, emergency ship storage capacity and legislative provisions for accelerated depreciation deductions from income tax.

Commodity Export Program

The Corporation stimulates the export of agricultural commodities and products through sales, barter, payments and other operations. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5(d) and 5(f), sections 407 and 416 of the Agricultural Act of 1949, the International Wheat Agreement Act of 1949, the Agricultural Trade Development and Assistance Act of 1954, and Title I of the Agricultural Act of 1954.

In general, transactions involving foreign currencies are conducted pursuant to the Agricultural Trade Development and Assistance Act of 1954. However, other such transactions may be conducted under the charter authority.

The International Wheat Agreement Act authorizes the President, acting through the Corporation, to make available such quantities of wheat and wheat flour to importing countries, and at such prices, as may be necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement. The Corporation is authorized to pay current obligations and to be repaid therefor from appropriations made specifically to cover the costs of the International Wheat Agreement.

In addition to exports under the International Wheat Agreement, and under authority contained in sections 5(d) and 5(f) of the Corporation's charter, wheat is being offered to the export trade for export as wheat or flour at competitive prices below domestic price but not below the applicable International Wheat Agreement price.

Changes in United States wheat export programs, effective September 4, 1956, will assure that wheat sales for export will be drawn primarily from free market supplies rather than from stocks of the Commodity Credit Corporation. Direct export assistance by CCC will be extended in the form of wheat from CCC stocks rather than in cash payments.

Special Activities

There are a number of miscellaneous activities carried out under authority of section 5(g) of the Corporation's charter and specific statutory authorizations with respect thereto which are currently in effect. Current obligations for these activities are paid by the Corporation and appropriations are authorized to reimburse the Corporation for its costs.

Examples of these activities are: (1) Advances to the Agricultural Research Service for eradicating foot-and-mouth disease and other contagious diseases of animals and poultry as authorized by annual Department of Agriculture Appropriation Acts, and for accelerating the eradication of brucellosis as authorized by section 204 of the Agricultural Act of 1954; (2) advances to the Agricultural Marketing Service for grading tobacco and classing cotton as authorized by the acts of June 29, 1949, and August 31, 1951 (7 U. S.C. 440, 444a); (3) Advances to finance the soil bank program in fiscal year 1957 as authorized by Public Law 540, 84th Congress. (Advances for fiscal year 1957 will be subsequently reimbursed and in fiscal year 1958 and succeeding years, any expenditures for the soil bank program will be from prior appropriations for that purpose.)

Financing of the Corporation

Capital Stock. The Corporation has a capital base of \$100,000,000, which is subscribed by the Secretary of the Treasury (15 U. S. C. 714). Pursuant to the Act of March 8, 1938, as amended (15 U. S. C. 713a-1, 68 Stat. 30), an appraisal of the assets and liabilities of the Corporation is made each year by the Secretary of the Treasury to determine net worth. If the net worth is less than \$100,000,000, the Secretary of the Treasury restores the amount of

capital impairment; if net worth is more than \$100,000,000 the Corporation pays the surplus to the Treasury (15 U. S. C. 713a-2). The appraisal of assets is on the basis of cost to the Corporation -- in effect, realized losses.

Borrowing Authority. Under its charter powers, the Corporation may, with the approval of the Secretary of the Treasury, borrow money to conduct its operations. The amount of this borrowing authority is subject to determination by the Congress and on August 1, 1956, was established at \$14,500,000,000.

Other Financing Operations. These include guarantees to purchase loans held by lending agencies, appropriations for restoration of capital impairment, and receipts from operations, which consist of proceeds from sales of commodities, loan repayments, interest income, reimbursements for special activities financed by the Corporation and miscellaneous income, refunds and collections.

Investment of Corporation in Price Support
Commodities - By Loans and Inventories

A table showing this investment as of May 31, 1956, is as follows:

Commodity Stabilization Service
Commodity Credit Corporation

QUANTITY AND VALUE OF COMMODITIES PLEDGED FOR OUTSTANDING LOANS
AND COMMODITIES IN PRICE SUPPORT INVENTORY AS OF MAY 31, 1956 AND
TOTAL INVESTMENT AS OF MAY 31, 1955

(All Figures in Thousands)

| COMMODITY | Unit of Measure | Investment as of May 31, 1956 a/ | | | | | | Total Investment As of May 31, 1955 a/ | |
|--|-----------------|----------------------------------|--------------|--------------|--------------|-----------|--------------|--|--------------|
| | | Pledged for Loans | | In Inventory | | Total | | Quantity | Value |
| | | Quantity | Value | Quantity | Value | Quantity | Value | | |
| Basic Commodities: | | | | | | | | | |
| Corn..... | Bushels | 425,498 | \$ 659,635 | 720,095 | \$ 1,266,820 | 1,145,593 | \$ 1,926,455 | 878,786 | \$ 1,442,749 |
| Cotton, Extra Long Staple..... | Bales | 7 | 1,906 | 62 | 22,770 | 69 | 24,676 | 100 | 35,004 |
| Cotton, Upland..... | Bales | 6,168 | 994,696 | 6,790 | 1,253,298 | 12,958 | 2,247,994 | 8,240 | 1,415,193 |
| Peanuts, Farmers' Stock..... | Pounds | 130,796 | 14,968 | 21,115 | 2,459 | 151,911 | 17,427 | 33 | 4 |
| Rice..... | Cwt. | 3,319 | 17,574 | 25,875 | 212,242 | 29,194 | 229,816 | 13,067 | 95,471 |
| Tobacco..... | Pounds | 874,899 | 530,554 | - | - | 874,899 | 530,554 | 804,538 | 405,100 |
| Wheat..... | Bushels | 53,696 | 110,725 | 990,227 | 2,631,412 | 1,043,923 | 2,742,137 | 1,023,153 | 2,631,442 |
| Wheat Flour b/..... | Pounds | - | - | - | - | - | - | 9,568 | 569 |
| Total Basic Commodities..... | | xxx | 2,330,058 | xxx | 5,389,001 | xxx | 7,719,059 | xxx | 6,025,532 |
| Designated Nonbasic Commodities: | | | | | | | | | |
| Honey..... | Pounds | 135 | 15 | - | - | 135 | 15 | 110 | 11 |
| Milk and Butterfat: | | | | | | | | | |
| Butter..... | Pounds | - | - | 57,714 | 34,214 | 57,714 | 34,214 | 299,882 | 191,528 |
| Butter Oil..... | Pounds | - | - | 6,341 | 4,957 | 6,341 | 4,957 | 12,737 | 11,657 |
| Cheese..... | Pounds | - | - | 276,546 | 106,940 | 276,546 | 106,940 | 369,578 | 148,896 |
| Milk, Dried..... | Pounds | - | - | 217,943 | 36,478 | 217,943 | 36,478 | 225,220 | 38,540 |
| Whey..... | Pounds | - | - | - | - | - | - | 60,496 | 3,628 |
| Tung Oil..... | Pounds | - | - | 11,059 | 2,850 | 11,059 | 2,850 | 41,974 | 10,502 |
| Wool..... | Pounds | - | - | 116,370 | 79,059 | 116,370 | 79,059 | 153,567 | 103,045 |
| Total Designated Nonbasic Commodities..... | | xxx | 15 | xxx | 264,498 | xxx | 264,513 | xxx | 507,807 |
| Other Nonbasic Commodities: | | | | | | | | | |
| Barley..... | Bushels | 21,643 | 18,757 | 57,870 | 61,873 | 79,513 | 80,630 | 88,803 | 107,738 |
| Beans, Dry Edible..... | Cwt. | 209 | 1,266 | 2,878 | 21,190 | 3,087 | 22,456 | 2,921 | 21,606 |
| Cottonseed and Products: | | | | | | | | | |
| Cotton Linters..... | Pounds | - | - | 222,503 | 22,168 | 222,503 | 22,168 | 715,192 | 68,483 |
| Cottonseed Meal..... | Pounds | - | - | 35 | 1 | 35 | 1 | 8,572 | 250 |
| Cottonseed Oil..... | Pounds | - | - | 5,735 | 974 | 5,735 | 974 | 335,007 | 55,218 |
| Flaxseed..... | Bushels | 551 | 1,599 | 41 | 134 | 592 | 1,733 | 8,075 | 26,273 |
| Grain Sorghum..... | Cwt. | 1,585 | 2,650 | 58,470 | 125,871 | 60,055 | 128,521 | 61,413 | 163,715 |
| Linseed Oil..... | Pounds | - | - | 23,593 | 3,385 | 23,593 | 3,385 | 62,142 | 10,778 |
| Naval Stores: | | | | | | | | | |
| Rosin..... | Pounds | - | - | 273,118 | 21,076 | 273,118 | 21,076 | 331,154 | 25,185 |
| Turpentine..... | Gallons | - | - | 1,838 | 1,074 | 1,838 | 1,074 | 2,498 | 1,398 |
| Oats..... | Bushels | 35,693 | 21,509 | 42,390 | 35,997 | 78,083 | 57,506 | 64,224 | 51,347 |
| Olive Oil..... | Gallons | - | - | - | - | - | - | 11 | 28 |
| Rye..... | Bushels | 1,981 | 2,262 | 10,380 | 13,086 | 12,361 | 15,348 | 7,985 | 11,681 |
| Seeds, Hay and Pasture..... | Pounds | - | - | 7,123 | 1,964 | 7,123 | 1,964 | 29,452 | 17,276 |
| Seeds, Winter Cover Crop..... | Pounds | - | - | - | - | - | - | 26,665 | 3,793 |
| Soybeans..... | Bushels | 4,984 | 10,028 | 31 | 73 | 5,015 | 10,101 | 27,790 | 60,693 |
| Total Other Nonbasic Commodities..... | | xxx | 58,071 | xxx | 308,866 | xxx | 366,937 | xxx | 625,462 |
| Exchange Commodities: | | | | | | | | | |
| Strategic and Critical Materials..... | | xxx | xxx | xxx | 150,025 | xxx | 150,025 | xxx | 39,247 |
| TOTAL..... | | xxx | \$ 2,388,144 | xxx | \$ 6,112,390 | xxx | \$ 8,500,534 | xxx | \$ 7,198,048 |

a/ Book value before deduction of reserve for losses.

b/ Acquired by exchange of Price Support Wheat for disposition under Public Law 480, Title II.

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly-owned Government corporation, within the Department of Agriculture, created to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance on a national basis. Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards such as insect and wildlife damage, plant diseases, fire, drought, flood, wind and other weather conditions. It does not indemnify producers from losses resulting from negligence or failure to observe good farming practices. In accordance with the established policy of limited operations on an experimental basis the 1956 crop insurance program operated 948 county programs and covered 22 commodities, principally wheat, tobacco, multiple crops, cotton and corn. In 1956 crops were insured for 357,500 farmers.

All risk crop insurance involves a high element of risk. The Federal Crop Insurance Corporation was inaugurated for the purpose of accumulating experience in this field and to provide a definite need in the agricultural economy, as commercial firms had been unwilling to enter the field until 1956, when the Crop Hail Insurance Actuarial Association offered a limited program in a very few midwestern states. The scope of the FCIC program depends primarily upon the farmers' demand for this kind of protection. Thus the program will expand in future years in accordance with such farmer demand and in line with experience in developing a sound program.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946 makes supervised credit available for the following purposes:

1. Direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other eligible individuals who are unable to secure credit elsewhere on reasonable terms for the purchase, enlargement or development, including building construction, of not larger than family-type farms. Building construction loans in amounts not exceeding \$15,000 on farms, the operation of which require no more than three farm families or three farm dwellings, may be insured. Loans may also be made and insured for refinancing the existing indebtedness of eligible applicants. These loans are amortized over periods not exceeding 40 years. Direct loans at $4\frac{1}{2}$ percent interest are made in amounts up to 100 percent of the fair and reasonable value of the farm. Loans for the same purposes at $3\frac{1}{2}$ percent, plus 1 percent for insurance charges and administrative expenses, advanced by private lenders to eligible applicants, are insured in amounts up to 90 percent of the value of the farm and necessary improvements.
2. Operating loans to farmers and stockmen who are unable to secure credit elsewhere on reasonable terms for farm operating expenses and other farm needs, including the refinancing of indebtedness and family subsistence of not larger than family-type farms. Loans may be made to full-time farm operators, and also those bona fide farmers who are conducting substantial farming operations on less than family-type units and who supplement their farm income by income from off-farm employment and from other sources. Loans are made at 5 percent interest up to \$10,000, and one to seven years with a limit of \$20,000 on the total indebtedness of any farmer. In certain cases, loans may be made beyond seven years, but not beyond ten years.
3. Direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farm land by soil and water conservation facilities and practices. Direct loans are made to farmers and associations at $4\frac{1}{2}$ percent interest for periods up to 20 years for individuals, and 40 years for associations. Loans advanced by private lenders for the same periods of time are insured at $3\frac{1}{2}$ percent interest, plus 1 percent for insurance charges and administrative expenses.
4. Direct farm housing loans to owners of farms who are unable to secure credit elsewhere, upon terms and conditions which they could reasonably be expected to fulfill, for the construction, improvement, alteration, repair or replacement of farm dwellings and other farm buildings on their farms. Loans are made at 4 percent interest for periods up to 33 years in amounts up to the value of the farm.
5. Disaster Loan Revolving Fund. With the abolition of the Regional Agricultural Credit Corporation, pursuant to Public Law 38, approved April 6, 1949, its assets were transferred to the Secretary of Agriculture to constitute the "Disaster Loan Revolving Fund". The Secretary allots money from this fund to

the several agencies of the Department as may be necessary. The several programs financed from this revolving fund are as follows:

- (a) Emergency loans are made to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers Home Administration's regular loan programs or other responsible sources. Production emergency, economic emergency, and special emergency loans are made at 3 percent interest for periods consistent with the ability of the borrower to pay, usually for one year.
- (b) Special livestock loans are made at 5 percent interest for periods not exceeding three years to established livestock producers who are temporarily unable to secure credit from recognized lenders and who have a reasonable chance of working out their difficulties with supplementary financing.
- (c) Fur loans are made at 5 percent interest to bona-fide fur farmers for supplemental credit to those already indebted for prior loans.
- (d) The Emergency Feed Program while under the supervision of the Office of the Secretary rather than the Farmers Home Administration is carried on through utilization of the disaster loan revolving fund mentioned in this section. Commodity Credit Corporation-owned surplus feed grains or mixed feeds containing a high percentage of surplus feed grains are furnished at less than market cost to eligible farmers and stockmen in designated areas through the facilities of the Commodity Stabilization Service and the Farmers Home Administration and special State and local drought committees. Only the administrative costs of the program are charged to the revolving fund since the reduction in the cost of the feed furnished is borne by the Commodity Credit Corporation.

Technical guidance in planning and carrying out sound farm and home operations is provided borrowers by the Farmers Home Administration on the basis of their individual problems and needs. No loans are made to anyone who can secure adequate credit from other sources at reasonable rates. A local county committee of three (two of whom must be farmers) is required to certify to the eligibility of each applicant. In a case of farm ownership loans, this committee certifies to the value of the farm.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order on May 11, 1935 to make loans for the extension of central station electric service to unserved rural people. The agency was continued by the Rural Electrification Act of May 20, 1936, and became a part of the Department of Agriculture on July 1, 1939 under Reorganization Plan II.

On October 28, 1949 the Rural Electrification Act was amended to authorize loans for the purpose of furnishing and improving rural telephone service.

Loans for construction of electric and telephone facilities are self-liquidating within a period of not to exceed 35 years, and bear interest at the rate of 2 percent. Loans to finance wiring installations and electric and plumbing appliances and equipment are also made at 2 percent interest but for shorter periods.

Electrification Program --- On May 11, 1935, when the Rural Electrification Administration was established only 10.9 percent of the farms of the United States had been electrified; on June 30, 1956 the percentage was about 94 percent. As of this date, the Administration had approved loans amounting to over \$3 billion of which over \$2,700,000,000 had been advanced to borrowers. Of this latter amount \$493,000,000 had been repaid, including nearly \$96,000,000 in advance payments.

As of June 30, 1956, an estimated 1,373,000 miles of line had been constructed and energized, with an estimated 4,263,000 consumers connected.

The principal borrowers are cooperative associations formed solely for the purpose of making electricity available in rural areas. Borrowers are encouraged to plan area coverage programs for the expeditious extension of central station service to remaining unserved farms and to plan over-all operations and maintenance of facilities to serve the consumers most effectively and assure maximum security for the Government loans.

Telephone Program --- Loans are made both to private companies and cooperatives. The Rural Electrification Administration follows the policy of continuous cooperation with the telephone industry in the extension of telephone service to rural areas. This Administration works with borrowers in developing sound construction and operating policies and with manufacturers in the development of efficient and economical telephone equipment specifically designed for rural needs. Practically no standards or equipment specifically designed for rural telephone systems were in existence before the Administration initiated work in this field.

As of June 30, 1956, telephone loans made amounted to about \$312,400,000 which is estimated to result in over 201,000 miles of new or improved pole line and new or improved telephone service to approximately 695,000 subscribers.

ACTIVITIES RELATED TO AGRICULTURE OUTSIDE THE
DEPARTMENT OF AGRICULTURE

FARM CREDIT ADMINISTRATION

The Farm Credit System was established to provide a dependable source of both long and short term credit on a sound basis for farmers and stockmen and their cooperative associations. These credit services are supplied in each of the 12 Farm Credit districts by a Federal land bank, a bank for cooperatives, a Federal intermediate credit bank, and until December 31, 1956, a production credit corporation. In addition, there is the Central Bank for Cooperatives at Washington, D. C., and the Federal Farm Mortgage Corporation, the latter being now inactive.

Aside from such of their capital resources as may be employed in lending operations, the banks of the Farm Credit system finance their loans and discounts through sales to the public of consolidated farm loan bonds (in the case of the Federal land banks) and consolidated collateral trust debentures (in the case of the Federal intermediate credit banks and the banks for cooperatives), and by borrowing for short periods from commercial banks. Under the law the United States assumes no liability for the bonds, debentures, or other such obligations of these banks.

The banks and associations of the Farm Credit System are supervised and examined by the Farm Credit Administration which, under the Farm Credit Act of 1953, is now an independent agency in the Executive Branch of the Government. A description of each type of credit service provided by these institutions follows.

The Federal land bank system is a cooperative system consisting of 12 Federal land banks and about 1,100 national farm loan associations, established by the Federal Farm Loan Act of 1916. Farmer-members own all the capital stock of these associations and, in turn, the associations own all of the capital stock in the land banks, thereby making the system completely owned by the farmers using it. On June 30, 1956, over 300,000 farmers had invested \$96,000,000 in stock of the system. The land banks make long-term farm mortgage loans to farmers and ranchers through local national farm loan associations, for the purpose of purchasing farm land and buildings, refinancing indebtedness, making farm improvements, and for other agricultural purposes. Loans may be made up to 65 percent of the appraised normal agricultural value of the farm, and are repayable in annual or semiannual installments for periods up to 40 years. Interest rates vary between districts from 4 to 5 percent per annum. Land bank loans outstanding on June 30, 1956, numbered 357,000 in the amount of \$1,637,595,000. During the year the banks made 60,587 loans for a total of \$513 million, of which \$366 million represented new money. From organization in early 1917 through June 30, 1956, the banks have closed a total of 1,443,976 loans for \$6,185,322,000.

The banks obtain funds for making loans by the sale of Federal farm loan bonds issued as joint and several obligations of the 12 banks and secured by the first mortgages on farms given by farmers as security for their loans.

Under authority provided in the Federal Farm Loan Act, as amended, the Farm Credit Administration has authorized the land banks to perform a number of its duties and powers in supervising the associations, thereby placing more responsibility in the field in the interest of efficiency and economy of operation. Also, in keeping with cooperative principles, the banks, by mutual agreements with the associations, have decentralized to the associations many of the functions in servicing the banks' loans.

Production credit associations are local cooperative credit associations of farmers and stockmen. They make short and intermediate term loans to their members for agricultural purposes. The associations rediscount farmers' notes with and borrow from the Federal intermediate credit banks. These associations are chartered under the Farm Credit Act of 1933 and originally were capitalized largely with approximately \$90 million of funds supplied by the Government-owned production credit corporations. Out of the 498 associations now operating, 441 are wholly member-owned and the remaining 57 associations have a total of only \$2,270,000 of Government capital invested in them as of July 15, 1956. At June 30, 1956, farmer-members owned over \$100 million of capital stock in the production credit associations which had outstanding loans at that date totaling nearly \$863 million.

The production credit corporations were created in 1933 to organize, capitalize, and supervise production credit associations. At June 30, 1956, the 12 corporations had outstanding capital stock owned by the United States amounting to \$29,235,000 and their earned surplus amounted to slightly more than \$13 million. Pursuant to the Farm Credit Act of 1956 these corporations will be merged in the Federal intermediate credit banks as of January 1, 1957. With one minor exception all of the assets of the corporations will be transferred to the banks. The capital and surplus of the corporations also will be merged with like accounts of the banks, which will assume any outstanding liabilities of the corporations. Supervision of the production credit associations, heretofore the responsibility of the production credit corporations, will be carried out by the Federal intermediate credit banks after the merger.

The Federal intermediate credit banks were established by Act of Congress in 1923 to serve as banks of discount in financing agricultural and livestock loans made by commercial banks, agricultural credit corporations, livestock loan companies, and similar financial institutions; and to make loans to farmers' cooperative associations on the security of staple agricultural commodities. In 1933 their lending authority was extended to include production credit associations and banks for cooperatives.

Since date of organization the Federal intermediate credit banks have been wholly owned by the United States. At June 30, 1956, the Government had an investment in the 12 banks of \$60 million of capital stock and \$2.7 million of paid-in surplus. A revolving fund of \$40 million (out of which the \$2.7 million of paid-in surplus was obtained for the banks) was established in 1934 to provide additional capital as needed to enable the banks to meet the credit requirements of eligible borrowers. At June 30, 1956, surplus reserves of the 12 banks, built up out of earnings, aggregated \$50,337,698. On that date the banks had outstanding loans and discounts amounting to \$898,313,000.

The lending operations of these banks are financed principally through sales to investors of consolidated collateral trust debentures and other borrowings, which amounted to \$857 million on June 30, 1956.

The Farm Credit Act of 1956 (P.L. 809, approved July 26, 1956) provides for the merger of each production credit corporation in the Federal intermediate credit bank of its district, effective January 1, 1957, and for the conversion of the merged banks from Government ownership to farmer ownership. The capital stock of the banks will be increased by the amount of capital stock in the production credit corporations and the surplus of the corporations will be added to that of the banks, thus materially strengthening the basic financial structure of the credit bank system. Government capital in the banks is to be retired through an initial investment by the production credit associations, which will subscribe for class B stock in an amount equal to 15 percent of the total capital stock of the banks after the merger and through the application of a part of the earnings of the banks each year to the retirement of Government-owned capital stock.

Banks for cooperatives, which are partially owned by the Government, make loans to eligible farmer cooperative associations engaged in processing or marketing agricultural products, purchasing farm supplies, or furnishing farm business services. The 13 banks were originally capitalized by the Government, the maximum amount of such capital having been \$178,500,000. On December 31, 1955, this had been reduced to \$150,000,000. On the same date the cooperative associations had invested \$20,618,000 in the capital stock of the banks. Pursuant to the provisions of Title I of the Farm Credit Act of 1955, which became effective January 1, 1956, the Government's investment in capital stock of the banks will be retired over a period of years and thus complete ownership of the banks by the borrowing associations will be attained in a reasonable time. The retirement made by the banks covering the 6-months' period ending June 30, 1956, was in the amount of \$2,639,400, thus reducing the Government's investment in capital stock to \$147,360,600. Subsequent to June 30, the banks have retired additional stock in the amount of \$47,100.00. On June 30, 1956, the cooperative associations had invested \$20,681,920 in the capital stock of the banks. On the same date the 13 banks for cooperatives had \$349,067,607 of loans outstanding to cooperative associations.

DEPARTMENT OF COMMERCE

Federal Rural Road Program

Federal aid highway programs are administered by the Bureau of Public Roads in the Department of Commerce.

There are four systems of highways on which Federal funds may be spent--the interstate highway system, primary highways, urban extensions of primary highways, and secondary or farm-to-market roads. The Federal Government has recognized the need for good roads to enable farmers to get their produce to market quickly and economically.

Federal aid funds are made available to States on a matching basis, from appropriations provided under authorizing statutes. The Federal Aid Highway Act of 1954 authorized a total of \$875 million for each of the fiscal years 1956 and 1957, including \$210 million for secondary roads. In addition to this \$210 million made available by the 1954 Act, the Federal Highway Act of 1956 authorizes \$37,500,000 making a total of \$247,500,000 for secondary roads for fiscal year 1957. For fiscal years 1958 and 1959, the 1956 Act authorizes \$255,000,000 and \$262,500,000, respectively for secondary roads.

As of July 1, 1955, the Federal aid secondary system comprised 507,676 miles. This represents an increase of 24,704 miles over the previous year. (Data for fiscal year 1956 has not yet been tabulated.)

Other Activities

The agricultural census is taken by the Bureau of the Census and the Weather Bureau provides weather forecasting in agricultural areas.

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

Vocational Education in Agriculture

The Office of Education in the Department of Health, Education, and Welfare has the responsibility for the cooperative Federal-State vocational education program. The program of vocational education of less than college grade in the United States has been developed in conformity with the provisions of Public Law 347, Sixty-fourth Congress, 1917 (the Smith-Hughes Act), and supplementary legislation enacted from time to time. The latest of the basic acts is the George-Barden Act of 1946. These laws were enacted for the purpose of promoting and developing vocational education on a cooperative Federal-State basis. They provide for the support of vocational education of less than college grade for farmers, homemakers, tradesmen, and workers in distributive occupations in a variety of institutions, located in many different places. Some of the participating institutions train full-time workers in evening classes; others part-time workers in day classes, high school students in day schools, and teachers in colleges and universities. An additional program of occupational information and guidance for youth and adults is provided.

About half of the public secondary schools of the country conduct at least one program of vocational education. Approximately 10,000 schools offer classes in vocational agriculture; another 1,000 in the distributive occupations; about 11,000 in home economics; and about 3,600 in trades and industry. Enrollment by type of program for fiscal year 1955 was vocational agriculture - 776,138; distributive occupations - 235,355; home economics - 1,555,846; and trades and industry - 870,954. (1956 figures not available.)

COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS

The Agricultural Act of 1956 provides for the establishment of a bipartisan Commission of five members, appointed by the President, to recommend legislation providing for increased use of agricultural products. The Commission, now at work, is required to prepare and present to the Congress, not later than June 15, 1957, the necessary recommendations which in its opinion will bring about the greatest practical use for industrial purposes of agricultural products not needed for human or animal consumption, including, but not limited to, use in the manufacture of rubber, industrial alcohol, motor fuels, plastics, and other products.

DEPARTMENT OF INTERIOR

The Bureau of Indian Affairs promotes the economic advancement of the Indians through the utilization of their resources including the use of improved methods in farming, homemaking and the use of credit for agricultural enterprises.

The Department of Interior also conducts a program of research to develop low-cost processes for converting saline water to fresh water in quantities sufficient for agricultural and other uses.

The Bureau of Land Management manages and supervises the use of 180 million acres of Federal grazing lands by 30,000 livestock growers.

The Bureau of Reclamation plans, constructs, and operates facilities to irrigate lands, furnish domestic water supplies, and develop related hydroelectric power and flood control in the 17 Western States and Alaska.

VETERANS ADMINISTRATION

As part of its vocational education and training program, the Veterans Administration conducts an institutional on-farm program under provisions of Public Laws 346 and 550.

Loans are also made to veterans to finance the construction or improvement of farm houses, to conduct a farming enterprise, to buy livestock, machinery, tools and other equipment, and for working capital. Some loans are on a direct basis and some on a guaranteed and insured basis.

LABOR DEPARTMENT

The Bureau of Employment Security provides a farm placement service for migratory workers involving interstate movement. This Bureau also imports Mexican agricultural labor for use in areas having a shortage of domestic agricultural workers. The Bureau of Labor Statistics compiles statistics relating to farm programs, parity prices, consumer costs, etc.

OTHER AGENCIES

The Tennessee Valley Authority conducts studies in agronomic research and agricultural resources development; also research for the development of new and improved fertilizers.

The Interstate Commerce Commission establishes freight rates on farm commodities and supplies.

The Selective Service System determines farm labor deferments.

UNITED STATES DEPARTMENT OF AGRICULTURE

Appropriations and REA and FHA Loan Authorizations, Fiscal Years 1938 Through 1957

(Note--Figures in parentheses () not included in totals. Amounts for 1938 through 1956 are adjusted for comparability with the appropriation structure in 1957.)

(Millions of Dollars)

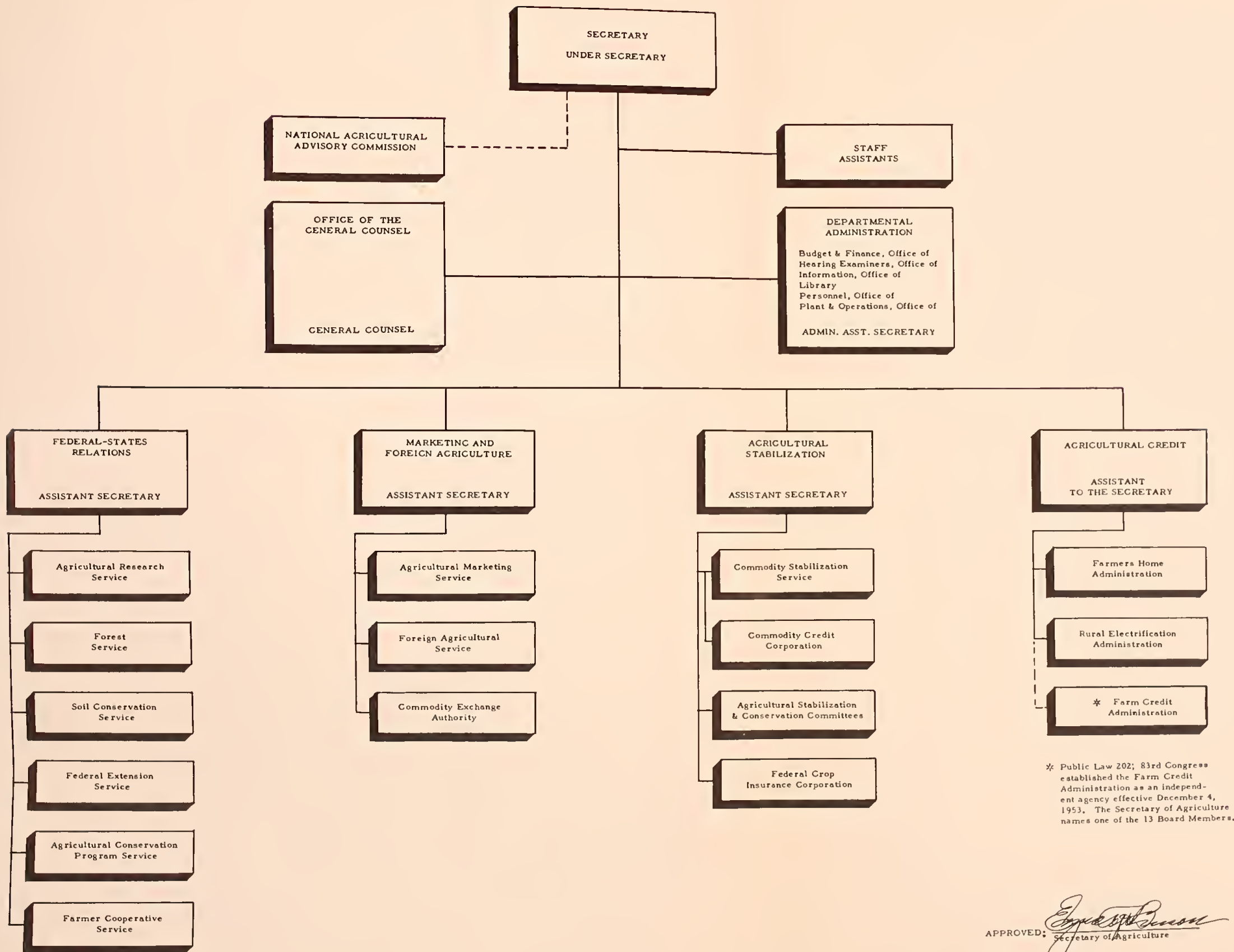
| | 1938 | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 ^{a/} | 1952 | 1953 ^{b/} | 1954 | 1955 | 1956 | 1957 |
|--|--------------|----------------|----------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|--------------|--------------------|----------------|--------------|--------------|--------------|
| Annual Appropriations for Regular Activities | | | | | | | | | | | | | | | | | | | | |
| Agricultural Research Service: | | | | | | | | | | | | | | | | | | | | |
| Salaries and expenses | 46.2 | 49.8 | 46.9 | 40.3 | 39.1 | 41.3 | 38.9 | 45.0 | 45.4 | 51.5 | 49.4 | 63.6 | 66.5 | 63.5 | 64.9 | 65.3 | 65.5 | 69.3 | 75.7 | 94.4 |
| Payments to States | 6.2 | 6.5 | 6.8 | 6.9 | 6.9 | 6.9 | 7.0 | 7.0 | 7.2 | 7.2 | 9.7 | 10.7 | 12.7 | 12.7 | 12.7 | 12.7 | 13.7 | 19.5 | 24.8 | 29.5 |
| Foot-and-mouth and other contagious diseases of animals and poultry - research: | | | | | | | | | | | | | | | | | | | | |
| Research facilities | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Research | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.5 | -- | -- | 10.0 | -- | -- | -- | 0.3 | 16.3 |
| Working Capital Fund, Agricultural Research Center | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.9 | 1.9 | 3.5 |
| Other miscellaneous appropriations | 0.3 | 0.1 | -- | 3.7 | 0.1 | -- | -- | -- | -- | -- | -- | -- | -- | 0.3 | -- | -- | -- | -- | -- | -- |
| Extension Service: | | | | | | | | | | | | | | | | | | | | |
| Payments to States | 17.5 | 18.0 | 18.6 | 18.6 | 19.0 | 19.0 | 19.0 | 19.0 | 23.4 | 27.3 | 27.6 | 30.8 | 32.1 | 32.1 | 32.1 | 32.3 | 32.3 | 39.7 | 45.5 | 49.9 |
| Federal Extension Service: | | | | | | | | | | | | | | | | | | | | |
| Administration and coordination | 0.8 | 0.8 | 0.8 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 | 1.9 | 2.0 | 2.0 |
| Penalty mail for cooperative extension agents | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Farmer Cooperative Service | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.4 | 0.4 | 0.4 | 1.7 | 1.9 | 1.7 |
| Forest Service: | | | | | | | | | | | | | | | | | | | | |
| Salaries and expenses | 26.6 | 34.9 | 25.6 | 22.3 | 27.2 | 22.2 | 25.7 | 27.2 | 31.8 | 43.1 | 45.7 | 44.4 | 48.7 | 46.1 | 51.5 | 49.6 | 52.6 | 51.7 | 63.0 | 64.7 |
| Forest roads and trails | 4.2 | 4.8 | 2.8 | 2.8 | 3.0 | 3.9 | 4.3 | 4.2 | 7.0 | 12.6 | 11.1 | 10.0 | 10.4 | 13.7 | 13.0 | 16.0 | 14.4 | 22.5 | 24.0 | 24.0 |
| State and private forestry cooperation | 1.8 | 2.2 | 2.7 | 2.6 | 3.2 | 4.7 | 7.1 | 7.0 | 8.1 | 9.0 | 9.8 | 9.8 | 10.1 | 10.8 | 10.7 | 10.8 | 10.7 | 10.7 | 11.4 | 12.2 |
| Cooperative range improvements | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Acquisition of lands for national forests | 2.9 | 2.9 | 3.0 | 1.0 | 2.0 | 0.3 | 0.1 | 0.1 | -- | 2.7 | 0.9 | 0.6 | 0.6 | 0.7 | 0.7 | 0.3 | 0.5 | 0.4 | 0.7 | 0.7 |
| Smoke jumper facilities | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.7 | -- | -- | -- | -- | -- |
| Soil Conservation Service: | | | | | | | | | | | | | | | | | | | | |
| Conservation operations | 20.7 | 20.1 | 20.0 | 17.5 | 24.3 | 22.6 | 22.8 | 28.6 | 33.4 | 43.9 | 38.7 | 47.6 | 52.6 | 52.9 | 62.6 | 58.5 | 57.4 | 58.3 | 62.9 | 67.5 |
| Watershed protection | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5.0 | 7.2 | 12.0 | 17.5 |
| Flood prevention | 0.5 | 7.0 | 3.0 | 2.0 | 1.0 | -- | -- | -- | -- | 2.1 | 3.0 | 6.0 | 9.5 | 6.0 | 6.5 | 7.7 | 8.8 | 9.1 | 10.0 | 12.0 |
| Water conservation and utilization projects | -- | -- | -- | 0.6 | 1.5 | -- | c/ | c/ | 1.2 | 0.7 | c/ | c/ | c/ | c/ | 0.2 | 0.2 | 0.4 | 0.7 | 0.5 | c/ |
| Agricultural Conservation Program Service: | | | | | | | | | | | | | | | | | | | | |
| Agricultural conservation program: | | | | | | | | | | | | | | | | | | | | |
| Direct appropriation (excluding special items below) | 339.1 | 339.8 | 485.4 | 434.4 | 494.7 | 444.6 | 400.1 | 290.1 | 300.6 | 257.5 | 223.1 | 145.0 | 257.0 | 256.5 | 260.0 | 251.7 | d/227.0 | 191.7 | 214.5 | 227.5 |
| Special flax program | -- | -- | -- | -- | -- | -- | -- | -- | 29.8 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Special seed program | -- | -- | -- | -- | -- | -- | -- | 12.5 | 12.5 | 12.5 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Reappropriation from "Parity Payments" and other balances | 90.0 | 155.0 | 70.0 | 27.0 | -- | -- | -- | -- | 13.0 | 42.5 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Farm restoration program in flood-stricken areas | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 31.0 | -- | -- | -- | -- | -- |
| Total, Agricultural conservation program | 429.1 | 494.8 | 555.4 | 461.4 | 494.7 | 444.6 | 400.1 | 302.6 | 355.8 | 312.5 | 223.1 | 145.0 | 257.0 | 256.5 | 291.0 | 251.7 | d/227.0 | 191.7 | 214.5 | 227.5 |
| Agricultural Marketing Service: | | | | | | | | | | | | | | | | | | | | |
| Marketing research and service | 6.4 | 7.1 | 7.6 | 7.9 | 8.1 | 8.8 | 9.4 | 9.8 | 10.0 | 13.9 | 14.8 | 17.6 | 18.6 | 18.7 | 18.8 | 19.0 | 20.3 | 22.0 | 24.3 | 26.2 |
| Payments to States | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.2 | 0.5 | 0.6 | 0.6 | 0.5 | 0.5 | 0.6 | 0.9 | 1.0 | 1.2 |
| School lunch program: ^{e/} | | | | | | | | | | | | | | | | | | | | |
| Amounts transferred from "Removal of surplus agricultural commodities" | -- | -- | (12.4) | (15.3) | (23.1) | (15.3) | (50.0) | (57.5) | (57.5) | 75.0 | 65.0 | 75.0 | -- | -- | -- | -- | -- | -- | -- | -- |
| Direct appropriation | -- | -- | -- | -- | -- | -- | -- | -- | -- | 6.0 | 5.0 | -- | 83.5 | 83.5 | 83.4 | 83.4 | 83.2 | 83.2 | 83.2 | 100.0 |
| Foreign Agricultural Service ^{f/} | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.5 | 0.5 | 0.6 | 0.7 | 0.6 | 0.7 | 0.8 | 0.8 | 0.7 | 0.8 | 2.4 | 2.5 | 3.4 | 3.8 |
| Commodity Exchange Authority | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 | 0.4 | 0.4 | 0.3 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 |
| Commodity Stabilization Service: | | | | | | | | | | | | | | | | | | | | |
| Agricultural adjustment programs ^{g/} | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.9 | 5.1 | 14.9 | 30.2 | 23.1 | 10.0 | h/10.0 | 43.6 | 41.3 | 39.2 | 41.2 |
| Sugar Act program | 40.0 | 54.4 | 47.9 | 47.9 | 47.8 | 47.4 | 63.9 | 52.1 | 48.4 | 53.5 | 55.0 | 72.0 | 60.0 | 63.8 | 70.0 | 65.0 | 59.6 | 59.6 | 59.6 | 67.6 |
| Parity payments | -- | 212.0 | 225.0 | 211.7 | 211.7 | 5.4 | i/170.3 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Federal Crop Insurance Corporation, operating and administrative expenses | -- | 5.4 | 5.8 | 5.4 | 8.4 | 8.4 | 3.5 | 3.4 | 8.3 | 7.3 | 5.0 | 4.5 | 5.1 | 7.1 | 7.9 | 8.5 | 7.5 | 6.0 | 6.2 | 6.2 |
| Rural Electrification Administration, salaries and expenses | 1.3 | 2.1 | 2.4 | 3.2 | 3.7 | 3.0 | 2.6 | 3.3 | 4.7 | 5.6 | 5.0 | 6.0 | 7.1 | 8.3 | 8.3 | 8.3 | 7.6 | 7.4 | 8.1 | 8.6 |
| Farmers Home Administration: ^{j/} | | | | | | | | | | | | | | | | | | | | |
| Salaries and expenses | 3.4 | 42.5 | 39.8 | 43.4 | 54.0 | 42.4 | 37.8 | 34.2 | 33.1 | 35.8 | 21.5 | 23.7 | 26.1 | 28.2 | 29.4 | 29.3 | 26.7 | 23.9 | 26.3 | 27.8 |
| Grants (for farm housing in 1950 and subsequent years) | -- | 31.9 | 26.3 | 21.8 | 17.9 | 4.0 | 0.5 | 0.9 | 0.4 | -- | -- | -- | 0.7 | 0.4 | c/ | c/ | -- | -- | -- | -- |
| Mortgage insurance fund | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Migratory labor camps | -- | 5.2 | 5.0 | 5.0 | 5.0 | 1.4 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Office of the General Counsel | 1.2 | 1.9 | 2.0 | 2.1 | 2.3 | 1.9 | 1.9 | 2.0 | 2.2 | 2.6 | 2.2 | 2.3 | 2.6 | 2.7 | 2.6 | 2.5 | 2.6 | 2.4 | 2.7 | 2.8 |
| Office of the Secretary | 1.1 | 1.4 | 1.5 | 1.7 | 2.0 | 1.9 | 1.8 | 1.8 | 1.8 | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.4 | 2.3 | 2.3 | 2.5 | 2.5 |
| Working capital fund | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Office of Information | 0.8 | 0.8 | 0.9 | 0.9 | 1.3 | 1.1 | 1.0 | 0.8 | 0.7 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.3 | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 |
| Library | 0.3 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Other items ^{bb/} | -- | 1.8 | -- | -- | 47.4 | 45.6 | 69.2 | 57.3 | 44.2 | 24.4 | 4.4 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Deduct amounts included in above figures transferred for Pay Act costs | -- | -- | -- | -- | -- | -- | -- | -- | -- | k/-15.6 | -- | k/-2.2 | k/-0.2 | -- | -- | -- | -- | k/-2.6 | k/-1.0 | -- |
| Total, Annual Appropriations for Regular Activities | 612.4 | 1,010.2 | 1,051.4 | 933.0 | 1,034.2 | 739.3 | 890.0 | 609.5 | 670.1 | 730.0 | 610.5 | 590.8 | 742.1 | 740.2 | 725.5 | 739.7 | 751.1 | 738.4 | 802.2 | 915.3 |

| | 1938 | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 a/ | 1952 | 1953 b/ | 1954 | 1955 | 1956 | 1957 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| <u>Restoration of Capital Impairment, Commodity Credit Corporation</u> | | | | | | | | | | | | | | | | | | | | |
| Cancellation of notes | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1,563.3 | -- | -- | -- | 66.7 | 421.5 | -- | 96.2 | 550.2 | -- | -- |
| Appropriations | 94.3 | -- | 119.6 | -- | 1.6 | -- | -- | 256.8 | -- | -- | -- | -- | -- | -- | -- | 109.4 | -- | -- | 1.6 | 929.3 |
| Total, Restoration of capital impairment | 94.3 | -- | 119.6 | -- | 1.6 | -- | -- | 256.8 | -- | 1,563.3 | -- | -- | -- | 66.7 | 421.5 | 109.4 | 96.2 | 550.2 | 1.6 | 929.3 |
| <u>Corporate Administrative Expense Limitation, Commodity Credit Corporation m/</u> | | | | | | | | | | | | | | | | | | | | |
| | 0.5 | 0.7 | 2.0 | 2.3 | 3.5 | 4.4 | 5.4 | 7.2 | 8.9 | 8.8 | 8.5 | 10.8 | 15.4 | 19.1 | 16.5 | 16.5 | 20.0 | 25.3 | 30.8 | 31.0 |
| <u>Special Activities</u> | | | | | | | | | | | | | | | | | | | | |
| Research on strategic and critical agricultural materials | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.3 | 0.4 | 0.4 | 0.4 | 0.6 | 0.6 | 0.4 | 0.3 | 0.3 | 0.3 |
| Disaster loan revolving fund (assistance to farmers and stockmen in disaster areas) | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 30.0 | -- | 130.0 | -- | -- | -- |
| Salaries and expenses, defense production activities | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.5 | 2.0 | -- | -- | -- | -- |
| Appropriations for repayment to Commodity Credit Corporation for authorized programs: | | | | | | | | | | | | | | | | | | | | |
| Eradication of foot-and-mouth and other contagious diseases of animals and poultry: n/ | | | | | | | | | | | | | | | | | | | | |
| Cancellation of notes | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 32.7 | 11.2 | 7.1 | 2.1 | -- | -- |
| Appropriations | -- | -- | -- | -- | -- | -- | -- | -- | -- | 10.8 | 30.5 | 34.0 | -- | -- | -- | -- | -- | -- | 5.8 | 1.3 |
| Eradication of brucellosis in cattle | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 11.8 |
| Inspecting and grading tobacco and classing cotton | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.8 | 0.4 | -- | 0.4 |
| International Wheat Agreement: | | | | | | | | | | | | | | | | | | | | |
| Cancellation of notes | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 182.2 | 171.7 | 129.6 | -- | -- |
| Appropriations | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 76.8 | -- | -- | -- | 57.4 | 101.1 |
| Emergency famine relief to friendly peoples (Public Law 216, August 7, 1953) | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 9.5 | 88.6 |
| Sales of surplus agricultural commodities for foreign currencies (Public Law 480, approved July 10, 1954) | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 67.5 |
| Transfer of hay and pasture seeds (Public Law 524, approved July 26, 1954) | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.2 |
| Emergency feed assistance in disaster areas | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 42.1 | -- |
| Transfer of wheat to Pakistan (Public Law 77, June 25, 1953) | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 69.4 | -- |
| Total, Special Activities | -- | -- | -- | -- | -- | -- | -- | -- | -- | 10.8 | 30.8 | 34.4 | 0.4 | 0.4 | 141.6 | 196.0 | 310.0 | 132.4 | 184.5 | 271.2 |
| <u>Permanent Appropriations</u> | | | | | | | | | | | | | | | | | | | | |
| General fund appropriations: | | | | | | | | | | | | | | | | | | | | |
| Payments to school funds, Arizona and New Mexico .. | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Removal of surplus agricultural commodities (30% of customs receipts) | 125.1 | 144.0 | 205.5 | 235.5 | 222.5 | 175.3 | 97.1 | 119.3 | 114.3 | o/116.2 | o/ 84.0 | o/ 57.9 | 125.6 | 111.2 | 158.9 | 181.0 | 172.4 | 180.1 | 166.8 | 200.0 |
| Deduct amount included in above figure transferred for Pay Act costs | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | k/ -0.2 | -- | -- |
| National Wool Act | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.2 | 2.5 |
| Appropriations from special sources: | | | | | | | | | | | | | | | | | | | | |
| Expenses, brush disposal | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.4 | 1.8 | 2.5 | 2.9 | 3.9 | 4.3 | 4.5 |
| Payments to States and Territories from the national forests fund | 1.2 | 1.1 | 1.2 | 1.4 | 1.5 | 1.7 | 2.6 | 4.0 | 4.0 | 3.4 | 4.6 | 6.0 | 7.8 | 8.4 | 14.0 | 17.4 | 18.7 | 16.4 | 19.4 | 26.0 |
| Roads and trails for States, national forests fund | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 1.0 | 1.6 | 1.6 | 1.4 | 1.8 | 2.4 | 3.1 | 3.3 | 5.6 | 7.0 | 7.5 | 6.6 | 7.8 | 10.4 |
| Payments due counties, submarginal land programs, Farm Tenant Act | -- | -- | -- | -- | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.5 | 0.4 | 0.4 | 0.4 |
| Forest fire prevention | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.1 | -- | -- | -- |
| Perishable Agricultural Commodities Act fund | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Total, Permanent Appropriations | 126.9 | 145.7 | 207.4 | 237.7 | 224.9 | 177.9 | 101.0 | 125.4 | 120.3 | 121.4 | 91.0 | 66.9 | 137.1 | 124.2 | 181.1 | 208.9 | 202.6 | 207.7 | 199.4 | 244.5 |
| <u>Loan Authorizations</u> | | | | | | | | | | | | | | | | | | | | |
| Rural Electrification Administration: | | | | | | | | | | | | | | | | | | | | |
| Electrification loans | 30.0 | 140.0 | 40.0 | 100.0 | 100.0 | 10.0 | 20.0 | 25.0 | 300.0 | 250.0 | 400.0 | 400.0 | p/470.0 | 264.5 | 100.0 | q/ 50.0 | r/173.0 | s/170.0 | t/160.0 | u/ 214.0 |
| Telephone loans | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 25.0 | 32.5 | v/ 25.2 | w/ 42.5 | x/ 67.5 | y/ 75.0 | z/ 75.0 | aa/100.0 |
| Farmers Home Administration: | | | | | | | | | | | | | | | | | | | | |
| Farm ownership loans | 9.5 | 24.3 | 39.2 | 50.0 | 50.0 | 32.5 | 30.0 | 15.0 | 50.0 | 50.0 | 15.0 | 15.0 | 15.0 | 22.3 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 24.0 |
| Farm housing loans | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 26.4 | 18.2 | 19.0 | 19.0 | 16.5 | -- | 5.0 |
| Operating loans | -- | 156.2 | 139.2 | 160.9 | 151.8 | 126.4 | 98.2 | 94.8 | 106.1 | 92.2 | 60.0 | 75.0 | 85.0 | 103.0 | 110.0 | 120.0 | 140.0 | 122.5 | 137.5 | 180.0 |
| Soil and water conservation loans | -- | -- | -- | 0.2 | 0.2 | -- | 0.8 | 0.8 | 1.1 | 1.5 | 1.5 | 1.5 | 3.0 | 4.0 | 5.0 | 6.0 | 6.5 | 11.5 | 11.5 | 5.5 |
| Farm and orchard rehabilitation loans | -- | -- | -- | -- | 1.0 | 0.4 | 13.5 | 9.9 | 1.8 | -- | 5.8 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total, Loan Authorizations | 39.5 | 320.5 | 218.4 | 311.0 | 303.0 | 169.3 | 162.5 | 145.4 | 459.0 | 393.7 | 482.3 | 491.5 | 624.4 | 444.5 | 278.2 | 256.5 | 422.5 | 398.0 | 408.0 | 973.5 |
| <u>Appropriation to Secretary of the Treasury Relating to Corporate Financing</u> | | | | | | | | | | | | | | | | | | | | |
| Federal Crop Insurance Corporation: | | | | | | | | | | | | | | | | | | | | |
| Subscriptions to capital stock | -- | 20.0 | -- | 20.0 | -- | -- | -- | 30.0 | -- | 20.0 | 10.0 | -- | -- | -- | -- | -- | -- | -- | -- | 13.0 |

Note--Details may not add to totals shown due to rounding.

- a/ Represents net amounts available after reductions under Section 1214 of the 1951 General Appropriation Act.
- b/ Represents net amounts available after reductions under Sections 411 and 412 of the 1953 Appropriation Act.
- c/ Prior-year balances available.
- d/ Includes \$15.0 million for emergency wind erosion control measures.
- e/ The school lunch program was carried on as a Section 32 activity, 1940 through 1946. Beginning in 1947 the program has been conducted under the provisions of the National School Lunch Act approved June 4, 1946, the Congress authorizing transfers from Section 32 funds rather than direct appropriations for that purpose in the fiscal years 1947, 1948, and 1949.
- f/ Figures for fiscal years 1938 through 1953 do not include comparable amounts for the expenses related to agricultural attaches, since data is not available with respect to the portion of State Department funds used for this purpose during these years.
- g/ Formerly "Acreage Allotments and Marketing Quotas." Such work was handled as a part of the agricultural conservation program in fiscal years 1940 through 1946 and administrative expenses for this work were not maintained separately from administrative expenses of the agricultural conservation program. Accordingly, amounts for acreage allotments and marketing quotas, 1940 through 1946, are included in the totals shown for those years for "Agricultural Conservation Program."
- h/ In addition, \$2.9 million was transferred from other appropriations available to the Department pursuant to the Third Supplemental Appropriation Act, 1953.
- i/ Appropriation for 1944 was used to liquidate obligations under the contract authorization carried in the 1943 Act.
- j/ The Housing Act of 1956 provided a loan authorization of \$450,000,000 for the period fiscal year 1957 - fiscal year 1961. It is anticipated that \$50 million will be used in fiscal year 1957.
- k/ Transferred from appropriations previously made to the Department and shown as deductions to avoid duplications in the totals for these years.
- l/ This amount represents the unrestored portion of the Corporation's realized loss for fiscal year 1954. The Act of March 20, 1954, changed the method of restoring the capital impairment to a realized loss basis. The total realized loss for the year ended June 30, 1954, amounted to \$588,501,678. Of this amount \$545,534,182 was restored by the Act of February 12, 1954; \$41,332,837 relating to CCC's cost of furnishing feed under the 1953 Emergency Feed Program was included in a separate appropriation item for 1956; and \$1,634,659 for 1956 restored the remainder.
- m/ There was no legislative limitation on the amount available for administrative expenses prior to fiscal year 1938.
- n/ Beginning with the fiscal year 1948, this eradication program has been financed by advances from the Commodity Credit Corporation pursuant to annual legislative authority to the Secretary to transfer the amounts required from any funds available to the Department. This item provides for reimbursement to CCC for funds so advanced.
- o/ Exclusive of funds transferred to "School Lunch Program." (See footnote e/)
- p/ Includes \$120 million borrowed under the additional authorization of \$150 million contingent upon certification of need by the Secretary of Agriculture.
- q/ In addition, Act provided a reserve authorization of \$50,000,000. Including the carry-over of funds from prior years, electrification loans amounting to \$164,972,662 were made in fiscal year 1953.
- r/ Includes \$38,000,000 of a reserve authorization of \$45,000,000 which was utilized. Including the carry-over of funds from prior years, electrification loans amounting to \$167,104,000 were made in fiscal year 1954.
- s/ Includes contingency authorization of \$35,000,000 utilized during fiscal year 1955. Including the carry-over of funds from prior years, electrification loans amounting to \$164,615,874 were made in fiscal year 1955.
- t/ In addition, Act provided a contingency authorization of \$100,000,000. Including the carry-over of funds from prior years, electrification loans amounting to \$192,719,356 were made in fiscal year 1956.
- u/ Includes reserve authorization of \$25,000,000 for use to the extent necessary for the expeditious and orderly development of the rural electrification program. Including the carry-over of funds from prior years, it is estimated that electrification loans amounting to \$185,000,000 will be made in fiscal year 1957.
- v/ Consists of \$9,000,000 borrowing authorization for rural telephone loans and \$16,236,718 borrowed under the reserve authorization of \$25,000,000 provided in 1952 Act.
- w/ Includes \$10,000,000 reserve authorization used in fiscal year 1953, and \$7,500,000 additional authorization included in the Third Supplemental Appropriation Act, 1953. Including the carry-over of funds from prior years, telephone loans amounting to \$35,883,500 were made in fiscal year 1953.
- x/ Including the carry-over of funds from prior years, telephone loans amounting to \$74,712,000 were made in fiscal year 1954.
- y/ Including the carry-over of funds from prior years, telephone loans amounting to \$52,744,000 were made in fiscal year 1955.
- z/ Including the carry-over of funds from prior years, telephone loans amounting to \$80,980,000 were made in fiscal year 1956.
- aa/ Includes reserve authorization of \$20,000,000 for use to the extent necessary for the expeditious and orderly development of the rural telephone program. Including the carry-over of funds from prior years, it is estimated that telephone loans amounting to \$80,000,000 will be made in fiscal year 1957.
- bb/ These items consist principally of appropriations for the War Food Administration, salaries and expenses, and the Farm Labor Program.

UNITED STATES DEPARTMENT OF AGRICULTURE



APPROVED: *Earl B. Wilson*
Secretary of Agriculture

DATE: March 17, 1955

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